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400 NORTH CAPITOL STREET

GOVERNMENT DOCUMENTS

Storage 6, 1970

KANSAS STATE UNIVERSITY

HEARING

BEFORE THE

SUBCOMMITTEE ON BUILDINGS AND GROUNDS

OF THE

COMMITTEE ON PUBLIC WORKS

UNITED STATES SENATE

NINETY-FOURTH CONGRESS

SECOND SESSION

ON

A PROPOSAL FOR THE SENATE TO PURCHASE THE OFFICE
BUILDING LOCATED AT 400 NORTH CAPITOL STREET

APRIL 9, 1976

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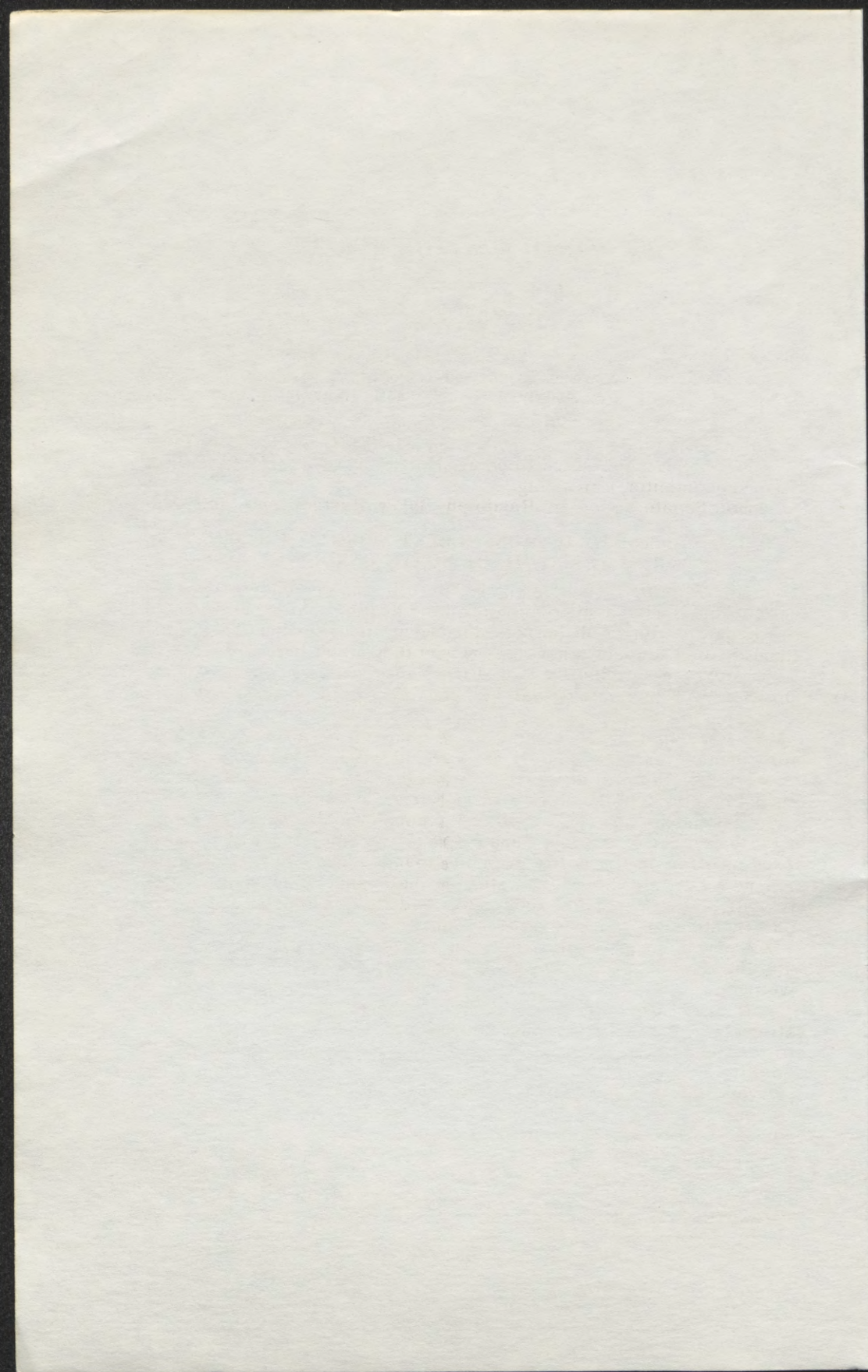
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400 NORTH CAPITOL STREET

FRIDAY, MARCH 9, 1976

UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
SUBCOMMITTEE ON BUILDINGS AND GROUNDS,
Washington, D.C.

The subcommittee met at 9:00 a.m., pursuant to call, in room 4200, Dirksen Senate Office Building, Hon. Robert Morgan (chairman of the subcommittee) presiding.

Present: Senators Morgan, Randolph, Baker, Buckley, and McClure.

OPENING STATEMENT OF HON. ROBERT MORGAN, U.S. SENATOR FROM THE STATE OF NORTH CAROLINA

Senator MORGAN. Gentlemen, let us call the meeting to order. I see that this is such a stimulating, exciting hearing that we are flooded with Senators. But in all fairness, the Senate is in session. The traffic is bad. I could think of other reasons why they aren't here.

We are here this morning to discuss the proposal for the Senate purchase of a privately-owned building in downtown Washington to be occupied by Senate and committee staff.

May I say that, when I came to Washington as a Senator a little more than a year ago, one of the first facts I had to face was that we were in cramped office space and there was no room for the things I had brought up with me from North Carolina.

For a long time we were assigned a couple of dungeon-like rooms in the basement of the Old Senate Office Building, and had to leave boxes piled up in the corridor. While that touched my pride a little, as a new U.S. Senator, I was still far more concerned about where my staff people could put their desks and filing cabinets, and where constituents might find a place to sit down.

This is important if we are to provide the people of my State with the services they expect and deserve, and which I intend to give them.

I discussed this with our chairman Senator Randolph, who was extremely sympathetic, because he has had to live with these overcrowded conditions for many years. But he has become philosophical about it.

He told me that construction would soon begin on the new Dirksen Building Extension, and that when it is finished we will have more room. But, of course, that is a long way off.

The architect assures me that we will be there before the end of my term. But based on my experience with the Capital Planning Authority of North Carolina, and dealing with contractors, I question as to whether we really will be there.

I have now left the basement and moved into better quarters on the first floor, but still don't have much room. I have had to send some of my personal staff to an old office building across the street, and also some of my subcommittee people have had to move down to the old Immigration Building because there simply isn't room for them in the Senate Office Buildings.

Another bad situation that we have is the shortage of parking spaces near the Senate Office Building, which has become worse since construction was started on the new extension. Several assaults against staff people and others have been reported, who were simply walking between the office and wherever they had been able to park on some side street.

I might say, in the short period of 15 months that I have been here, two girls in my office have been robbed within just a few blocks of the Capitol.

In discussing this with Senator Randolph on several occasions, we both agreed that when some solution was found we would be much happier and the staff would be able to do a better job.

The reason we are here today is that recently the Architect of the Capitol, the Sergeant at Arms, and the Senate have been offered an opportunity to purchase a new office building practically adjoining the Capitol grounds at 400 North Capitol Street, Northwest, in Washington. This could be the answer to some of our problems, provided it is an economically feasible proposition.

I don't really know too much about it except for what has been submitted to us, and what our preliminary investigations have disclosed. When these hearings are finished, I intend to write each member of the Senate, telling them what we are doing now, and get their opinions as to whether purchase of this property should be authorized.

I understand the matter has already been considered by the Subcommittee on Appropriations, and appropriations provided for if authorized.

Of course there are those who will be critical that we in the Senate are contemplating the acquisition of more space. But I think one thing we ought to be cognizant of is that, as the work load of the Government increases, the workload of the U.S. Senate is also going to continue to increase. As the population of this country increases, the work load of the Senate will also increase.

And one of the things I have observed since I have been in the Senate is that we have failed, in many areas, to exercise our oversight responsibility. One of the reasons for this is inadequate staff.

And yet, every time we talk about staff, the press and the public without knowing the facts, are almost always critical.

I have spent the last 14 months on the Special Select Committee of the Senate, studying intelligence agencies of this country. And I can say to you, without disclosing any of the reports that will be made public in the near future, that the failure of the Senate to exercise proper oversight of these intelligence agencies during the last 50 years has nearly resulted in creation of a secret police organization in this country.

I think, when you read the Federal Bureau of Investigation report, you will find there has been very little oversight. One of the greatest

difficulties that exist, is that we in Congress enact broad general policies and then delegate to the bureaucrats, far removed from the people, who are not answerable to the responsibility of adopting regulations to implement these broad general policies.

Now, the only way I know that the Senate can carry out its responsibility is to have adequate staff and favorable working conditions. Maybe we do have adequate staff, and I think I have, but they need adequate quarters also. But no professionals can work in an office, and carry on the proper kinds of study and research necessary to advise and assist me, unless they have reasonably adequate office space. I cannot make apologies to anyone for this.

The quality of work we can do depends on our staff. What we need to know now is whether other Senators are in the same position, and document it in the record.

I would like to know, Mr. White, how we compare, with regard to working space, to what you or General Services Administration recommend for average employees in Government and also in the private sector.

If good working conditions and decent quarters are important for private enterprise, then they must also be good business for Senate Members and employees.

By the same token, while we are trying to determine whether we can justify this space, we also want to make sure that whatever we do is in the best interests of the tax-paying public, and make sure that we are getting full value for each dollar that we spend.

So, Mr. White, we are glad to have you with us this morning. I know of no one more knowledgeable than you about these conditions, and probably no one who has received more complaints than you have. If you would move forward we will be glad to hear from you.

Please note that Senator McClure has now joined us.

Senator, we are glad to have you. Would you like to make a statement?

OPENING STATEMENT OF HON. JAMES A. McCLURE, U.S. SENATOR FROM THE STATE OF IDAHO

Senator McCLURE. Yes, I would, because this 400 North Capitol is not a new one to us. It just comes to us in a different form. And I welcome the opportunity to have the hearings to determine whether or not the acquisition has a different value to us than the possible rental. That is, as I understand it, the issue that is confronting us today.

The issues surrounding the use of 400 North Capitol Street came into focus last year during a debate on the Legislative Appropriations bill last winter. That legislation Public Law 94-157 authorized the Sergeant at Arms of the Senate to negotiate a 5-year lease on the building at 400 North Capitol Street.

It was my position at that time the building probably wasn't needed and that the rates being asked by the owner were certainly far out of line with those prevailing in Washington and the previous offers that the owners had made on the building to the General Services Administration.

The Sergeant at Arms now declares that the rental price was indeed excessive.

I think it might be helpful, Mr. Chairman, if a copy of that Senate floor discussion on this issue be included in our hearing record as well as a copy of the appropriate section of Public Law 94-157.

Senator MORGAN. I ask that it be included in the record.

[The documents referred to follow:]

[From the Congressional Record, December 10, 1975]

The PRESIDING OFFICER. There will now be 40 minutes equally divided between the Senator from South Carolina and the Senator from Idaho.

Mr. HOLLINGS. Mr. President, is it a point of order on an amendment?

Mr. McCURE. Mr. President, I have asked for this time so that we might discuss a provision in the appropriation bill for the possibility that the Senate may enter into a lease on certain property, which is outlined in the bill. There is the possibility, or the probability, that I might, at the conclusion of the discussion, offer a point of order against the inclusion of this provision in the legislation.

I do not know whether the Senator from South Carolina wants to speak first in support of the provision, engage in a colloquy with me on some of the questions that I have in my mind concerning that provision, or how he would desire to proceed.

Mr. HOLLINGS. If my distinguished friend will yield, I will be glad to engage in a colloquy and then I would better understand the questions he has in mind. I will try my best to answer them.

Mr. McCURE. First of all, let me make very plain, because I think some people have not understood the reason I asked the question, this is not a jurisdictional fight that I seek to inject. So far as I am concerned, it has nothing to do with the prerogatives of any particular committee or group in the Senate. It has been suggested that because I am a member of the Public Works Committee I am seeking to preserve the jurisdiction of that committee. I will say to the Senate, that is not my motivation. Jurisdiction is the least of the questions which may be involved here.

I say that because, as the Senator well knows, the jurisdictional questions on providing space for the Members of the Senate, their staffs and their committees is a very muddy jurisdiction at best.

The Committee on Rules and Administration is very properly involved because the requests for space go to the Rules Committee. The allocation of the space which is available is the responsibility of the Rules Committee. The Appropriations Committee, of course, is responsible, as they are in most other instances, for providing the money that may be necessary to provide the space.

The Public Works Committee has certain responsibilities with respect to the construction and design of not just the space for the Senate but for the entire Capitol grounds.

We have to add to that the Architect of the Capitol, who has certain responsibilities, and the Senate Office Building Commission, which has been in existence for three-quarters of a century, I understand. It has responsibilities in this field.

I am not raising the jurisdictional question because I think the jurisdiction is not that clearly defined.

Mr. HOLLINGS. If the distinguished gentleman will yield on that point, we have no objection whatsoever to including the Committee on Public Works where we have outlined in the language the Committee on Rules and Administration and the Committee on Appropriations.

Mr. McCURE. I thank the Senator. As I say, that is not my primary concern.

Mr. HUGH SCOTT. Will the Senator yield?

Mr. McCURE. I yield.

Mr. HUGH SCOTT. I want to make it clear that, as minority leader, I had no advance notice of the inclusion of this provision in the appropriations bill.

Mr. McCURE. I thank the Senator from Pennsylvania.

The question that I would have is this: What determination has been made of the need for space? Could the Senator from South Carolina outline to me what determination his subcommittee made about the need for space, its character, location, and timing?

Mr. HOLLINGS. We can start, of course, with the Committee on Public Works back in 1972. In particular on August 14, 1972, the Committee on Public Works reported out a bill dealing with the Senate Office Building and the garage, and on pages 5 and 6 of the report they outline the need for parking space and the need for a parking garage on what we commonly characterize as block 724.

Pursuant to that need, then look at the testimony of the Architect of the Capitol this year before the Legislative Subcommittee of Appropriations, plus letters and enclosures from the chairman of the Committee on Rules and Administration and the

Buildings and Grounds Subcommittee chairman of the Committee on Public Works, the distinguished Senator from North Carolina (Mr. Morgan).

There was no question of the need as the architect outlined in his testimony before the Legislative Subcommittee where the minority was or should have been apprised. Senator Schweiker, of Pennsylvania, the counterpart of our distinguished senior Senator from Pennsylvania, was there, discussed this at length, asked the questions and outlined the concern. He insisted on the inclusion of the Appropriations Committee in the approval because he wanted to see the issue through. We have 178,000 square feet of office space at the moment on block 724. If we could transfer those people immediately into a rental facility at 400 North Capitol, we could then facilitate and expedite the construction of the parking garage on that particular block.

Mr. McCURE. Will the Senator respond a little further? I am a little puzzled by the suggestion that we are going to make any immediate transfer. This same appropriations bill has \$696,000 for the renovation of two apartment houses on that square into office space. It seems as if we are going to spend nearly \$700,000 to renovate two buildings, which will then immediately be vacated and perhaps destroyed.

Mr. HOLLINGS. That is right. It has to be coordinated. That is why we have provided that the lease is subject to the approval of the Committee on Rules and Administration and subject to the approval of the Committee on Appropriations.

I think the major point here is the building is available. It could well be that after this bill passes we would learn that the building would not be available 6 months from now but since we would not have any supplemental appropriations bill prior to that particular time we would be precluded from acting, even if action was in our best interests. Therefore, we wanted to make certain the door was kept open so that we could negotiate if it were in the best interests of the U.S. Senate.

That is why everything is left open. That is why we required that they come back for these particular approvals.

I could not tell the distinguished Senator what would be the net cost per square foot. This bothered me. In fact, I did not want any commitment to go to the particular owners of 400 North Capital. So I put in there the particular language that in no case could any committee of the Senate or the Office of the Architect of the Capitol enter into any lease, thus maintaining an open door for this particular transaction if all of those questions can be answered.

We were asked for this by Rules, by Public Works, and by the Architect of the Capitol, and I had the same misgivings the Senator from Idaho has. That is why we worded it in the way we did.

Mr. McCURE. The Senator said there is no question of the need for the space; and yet it seems to me we need a more detailed exposition of what the space requirements are. I will tell the Senator why I make that statement.

I have no doubt that the personal staffs of Senators have expanded. Every one of us feels that perhaps our own office space is too limited, and every one of us could use a little bit more room. We also have seen a very large increase in committee staffs as a result of actions which I and others in this body voted last year; and it has put a pressure upon committee staff rooms.

Another facet that has added to the demand for space is the advent of the open conferences, as well as the open sessions of the committees. We have provided for committee rooms with a lot of public access. But now we have public access involved with the conferences, and as anyone who has participated in recent conference knows, we lack adequate space for the meetings of conference committees. The public involvement in those meetings properly demands larger rooms and more extensive facilities.

That generalized need for space does not necessarily answer the question of whether this particular building is suitable for meeting those needs, and how it relates to the kind of space needed.

Mr. HOLLINGS. May I comment right at that point?

Mr. McCURE. Of course.

Mr. HOLLINGS. First, on the need: we ask unanimous consent to have printed in the Record at this point a letter dated November 19, 1975, from the distinguished chairman of the Subcommittee on Buildings and Grounds (Mr. Morgan) to the chairman of the Committee on Rules and Administration.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. SENATE,
Washington, D.C., November 11, 1975.

Hon. HOWARD CANNON,
Russell Senate Office Building,
Washington, D.C.

DEAR HOWARD: Since taking my seat in the Senate in January, nothing has surprised or concerned me more than the inadequacy of the office space provided to members of the Senate. Frankly, I have not visited any office up here that has sufficient space, and it does not take a "time and motion" study to realize that efficiency is sacrificed.

In my own office, my personal secretary of many years and my administrative assistant share a small office. Three other senior staff aides share another slightly larger office which has no place for them to carry on conversations with constituents since the desks almost touch. They must use my personal office for conferences. The rest of my staff, some eight persons, occupy one moderately sized office which also houses our mail operation, the computer terminal, the Xerox machine, and the telecopier. Even with the best efforts of everyone, chaos reigns supreme in that room.

And my situation is not atypical. Many of my colleagues have expressed complete frustration with their office arrangements and there does not seem to be much chance of things getting better when you consider the fact that each special or select committee must be assigned space out of the already exhausted pool.

I know that you can appreciate these observations because as Chairman of the Rules Committee you are the person to whom we turn so often with our complaints and frustrations. My colleagues and I know, of course, that nothing would please you more than to be in a position to meet these very real needs and thus ensure the greater effectiveness of the one hundred Senate offices now located in the Russell and Dirksen Buildings.

For this reason it might be wise for us to explore the offer made by North Capitol Associates for the lease or purchase of the North Capital Plaza building located just at the foot of Capitol Hill. I think we all would agree that the building is in an excellent location and I believe it is completed and ready for occupancy. It surely will be years before the scheduled addition to the Dirksen Building is completed and we are provided any relief through that source.

If you feel that the matter merits exploration, then certainly I will be glad to schedule a meeting of the Buildings and Grounds Subcommittee to review the situation and in preparation therefore ask Public Works and GSA personnel to do appropriate studies and provide us with relevant information. I believe a public hearing of this sort would be the best way to review any proposals offered by North Capitol Associates and determine whether they are meritorious.

Sincerely,

ROBERT MORGAN.

Mr. HOLLINGS. He states:

Since taking my seat in the Senate in January, nothing has surprised or concerned me more than the inadequacy of the office space provided to members of the Senate. Frankly, I have not visited any office up here that has sufficient space, and it does not take a "time and motion" study to realize that efficiency is sacrificed.

I also ask unanimous consent to have printed in the Record a letter from the chairman of the Rules Committee (Mr. Cannon) to me, enclosing letters from Senator Sparkman and others, outlining the needs for space.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. SENATE,
Washington, D.C., November 13, 1975.

Hon. ERNEST F. HOLLINGS,
Chairman, Subcommittee on Legislative Appropriations,
Committee on Appropriations, U.S. Senate.

DEAR FRITZ: I enclose for your information and consideration copies of correspondence I have had with Senator Morgan, Chairman of the Buildings and Grounds Subcommittee, Senator Sparkman, Chairman of the Senate Office Building Commission, and the Honorable George M. White, Architect of the Capitol, concerning the proposal that the Senate lease (with option for later purchase) the new office building located at 400 North Capitol Street, N.W.

I think you will find their letters to be fully self-explanatory as well as reflective of the excessively crowded conditions now prevailing in the offices of Senators and committees generally.

As you know, it is the responsibility of the Committee on Rules and Administration to allocate whatever space is made available to us for Senators and committees. As Chairman of the Committee I can report to you that I see no way we can comply with the requests coming in almost daily (between now the the time the Dirksen Extension is completed some several years hence) if we have to rely solely on the structures now in existence.

With all best wishes,

Sincerely,

HOWARD W. CANNON
Chairman.

U.S. SENATE,
Washington, D.C., November 13, 1975.

HON. ROBERT MORGAN,
Chairman, Buildings and Grounds Subcommittee on Public Works, U.S. Senate, Washington, D.C.

DEAR ROBERT: I appreciated your letters concerning the problem of lack of adequate space for Senators' offices and committees.

I have no doubt that during the next year the Rules Committee will receive requests for much more space than we can possibly find in the structures now available, including the two apartment buildings on Square 724 (C Street, N.E.) which are now being made ready for temporary occupancy. Many Senators have spoken to me about the way their staffs are now so badly crowded that they cannot do efficient work, and the same is true of many committees and subcommittees.

In addition, the Senate and the Congress have created new congressionally related offices which require space for their growing staffs, such as the Congressional Budget Office, the Office of Technology Assistance, the Senate Operations Commission, the Indian Advisory Commission, etc., to name some of them.

The House has already expressed the urgent need for 1,500,000 square feet of additional space for their use, and as you know, they are pressing to take the unfinished Madison Memorial Library of Congress building for their fourth House Office Building, a proposal incidentally, to which I am very much opposed.

With reference to your suggestion that we explore the possibility of leasing or purchasing the building at 400 North Capitol Street, N.W., I enclose a copy of a letter I received some weeks ago from the Architect of the Capitol which analyzes this project on a preliminary basis. I call your attention particularly to his point that if that building were available to the Senate now it would be possible to go ahead with the plan to construct an underground garage on Square 724 several years in advance of schedule, without waiting for completion of the Dirksen Extension, which would lessen the period during which this general area is disrupted by major construction work with a possibility of some savings to the taxpayers. I am advised that the Architect has been authorized to make a study of the underground garage project.

Senator Sparkman, Chairman of the Senate Office Building Commission, after reading the Architect's letter, wrote me in part as follows: "From what he says it seems we could very well use this building and that it would be worth the cost of repairs or extensions that would have to be made . . ."

For your information, the following current requests for space are among those pending before the Rules Committee:

Senator Case (for the Office of Technology Assessment).

Senator Brock (for the minority staff of the Budgeting, Management, and Expenditures Subcommittee).

Senator Kennedy (for the Subcommittee on Administrative Practice and Procedure).

Senator Brock (for his own office).

Senator Muskie (for the Senate Budget Committee).

Senator Hathaway (for his own office).

Senator Humphrey (for the Joint Economic Committee).

Senator Talmadge (for the Committee on Agriculture and Forestry).

Senator Long (for the Committee on Finance).

Senator Randolph (for the Committee on Public Works).

The Secretary of the Senate (for the office of Senate Historian).

Senator Morgan (for his own office).

The Standing Committee of Correspondents (to replace rooms they lost because of construction of the new entrance into the upper level garage in the Dirksen building).

Senator Hartke (for his own office).

Senator Humphrey (for the Subcommittee on Foreign Assistance).

Senator Burdick (for the Subcommittee on National Penitentiaries).
 Senator Church (for the Special Committee on Aging).
 Senator Barlett (for his own office).
 Senator Glenn (for his own office).
 Senator Leahy (for his own office).
 Senator Percy (for his own office).
 Senator Williams (for the Committee on Labor and Public Welfare).
 Senator Beall (for his own office).
 Senator Garn (for his own office).
 Senator Packwood (for his own office).
 Secretary of the Senate Valeo (for the Commission on Senate Operations).
 With all best wishes.

Sincerely,

HOWARD W. CANNON,
Chairman.

U.S. SENATE,
 Washington, D.C., October 6, 1975.

Hon. HOWARD CANNON,
*Russell Building,
 Washington, D.C.*

DEAR SENATOR: Recently I was contacted by former Senator George Smathers who is now representing North Capitol Associates, the firm which has recently constructed North Capitol Plaza. As you will remember there was initially speculation that SEC would move into that building but later GSA committed them to the Buzzards' Point site. Since then the developers have been seeking another tenant and at this time are interested in the possibility of the United States Senate leasing the space.

After talking with both Mr. Smathers and Glenn Ballowe, a partner in the firm, I concluded that in my opinion any action concerning the building would have to originate with some other committee, probably Rules. However, should Rules decide that there is a need for additional space for the Senate, then we would be glad to consider any request or proposal submitted by the Rules Committee as expeditiously as possible.

If you should decide that this is a matter which merits discussion, I will be glad to get together with you at a mutually convenient time.

Sincerely,

ROBERT MORGAN,
Chairman, Buildings and Grounds, Public Works Committee.

U.S. SENATE,
 Washington, D.C., September 18, 1975.

Hon. HOWARD W. CANNON,
*Chairman, Committee on Rules and Administration,
 Washington, D.C.*

DEAR MR. CHAIRMAN: I was glad to have your letter regarding the building at 400 North Capitol Street. I have read the letter from the Architect of the Capitol. From what he says it seems that we could very well use this building and that it would be worth the cost of repairs or extensions that would have to be made according to his letter.

Sincerely,

JOHN SPARKMAN.

SEPTEMBER 5, 1975.

Hon. JOHN SPARKMAN,
*Chairman, Senate Office Building Commission,
 U.S. Senate, Washington, D.C.*

DEAR JOHN: I enclose a copy of a letter and related correspondence containing information which I requested from the Architect of the Capitol in response to several inquiries concerning the proposal by the owners of the building at 400 North Capitol Street that it should be leased for use for Senate office purposes.

I know the comments of the Architect regarding the proposal will be of interest to you and the Senate Office Building Commission, particularly if further investigation might reveal the possibility of substantial savings to the Senate and the taxpayers if we speed up the presently authorized timetable for construction of the underground garage project in Square 724.

With all best wishes,

Sincerely,

HOWARD W. CANNON,
Chairman.

Mr. HOLLINGS. The chairman of the Rules Committee and all his committee members are here, and we can more or less agree on the record that the need is there.

Now, as to the question of whether this particular office space meets that need, I have never been in this particular building, and I was questioning the Architect as to whether it was a suitable building.

I do not know what the cost is going to be, but we wanted to determine and I asked the very same people the Senator is naming, whether or not it was good.

It has not only been determined to be good by the Architect, who testified it was an unusually good building, readily adaptable for that particular purpose, but over on the House side, Mr. Roncalio has put in a bill directing that that space should go to the Library of Congress; so they have determined that it is a good building, the Architect has determined that it is a good building, and the Committee on Rules and Administration here has determined that it is a good building.

Mr. McCCLURE. I have no question of the need for more space. But I look to the fact that we have now, in Square 724 in the Immigration Building, over 54,000 feet of space and 147 rooms. In the Capital Hill Hotel we have 23,000 feet of space and 94 rooms. There is contemplated in this bill the reconstruction of the Senate Court and the Hill Apartments building, with 42,000 feet of space and 180 rooms in one, and 18,000 feet of space and 65 rooms in the other. That represents a virtual doubling of the space in Square 724 that is already provided in this bill.

The other action is the extension of the Dirksen Office Building, and the addition of space in that building. That extension will be finished in late 1978 or early 1979, which is only 3 years from now; that extension will provide 421,000 net square feet of usable office space.

I mention the Dirksen Office Building because that is supposed to meet the needs of the Senate for the remainder of this century, according to the information we have received. That is already there, and that money has already been appropriated.

Mr. HOLLINGS. I think the Senator can fix it in his mind this way: The Public Works Committee determined 3 years ago to put a garage on that particular square. To try to facilitate the construction of that garage, and save 3 to 4 years of inflation costs by expediting construction—I have a report here, if the Senator would like to see it—we would impose a requirement for office space transfer which could be shifted to 400 North Capitol. Suppose we do not get 400 North Capitol. Then we will go ahead with our original course; we will be where we are right now in that particular square, and the garage will be built in 4 years.

But it is determined that there is duplication. That is why we have to come back to the Architect, to the Rules Committee and, if necessary, to the Public Works Committee.

Mr. McCCLURE. As far as the parking garage, contemplated for Square 724, I am sure the Senator knows that building has not been authorized. The only thing authorized is the competition for design. There was \$50,000 appropriated for that purpose, and that \$50,000 has never been expended. So there has never even been a competition for design, let alone the determination to build the underground parking garage on Square 724.

Mr. HOLLINGS. That is true. We had a contract limitation; and if we added into it for 400 North Capitol, that would have had to be the first order of business. But that same subcommittee report I referred to, back in 1972, said we should build first the Senate Dirksen Office extension, then come to the parking garage, and in the meantime we must go all the way to Kennedy Memorial Stadium to park cars.

Mr. McCCLURE. But here we have now in use in Square 724 a total of nearly 78,000 square feet of office space. We will soon have available on that square another 59,000, nearly 60,000 square feet of office space. We are going to add, in the Dirksen extension, 421,000 square feet of office space. And now it is proposed that we go over to 400 North Capitol and rent 570,000 additional square feet of office space.

Mr. HOLLINGS. But the Senator is putting them together in the wrong context. Let us go along on Square 724—and I ask unanimous consent that the letter from the Architect of the Capitol dated August 6, 1975 to the chairman of the Rules Committee, with enclosure, also be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

THE ARCHITECT OF THE CAPITOL,
Washington, D.C., August 6, 1975.

Hon. HOWARD W. CANNON,
Chairman, Committee on Rules and Administration,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This information is in pursuance of our telephone conversation regarding the proposal by the owners to lease the building at 400 North Capitol Street for Senate staff occupancy. I believe that a basis on which the proposal has possible merit is the possibility of proceeding now with the construction of an underground garage and surface facilities on Square 724 if the staff people now occupying the buildings on that square were to be moved to another location. Provided that the lease amount were appropriate and if the Senate were to agree to proceed with the underground garage project. I believe we would be in a position to have the garage facilities available to us at least four years and perhaps five years earlier than would otherwise be possible.

As you may recall, the logistics of staff location is such that without such an alternative location, we cannot move the people who are now occupying the buildings on Square 724 until such time as the new Senate office building is completed, presumably some time in 1978. Delays might, of course, be experienced in that regard. Thus, even if the buildings on Square 724 were to be vacated within a short period of time after the completion of the Extension to the Dirksen Building, it would probably be about three years after that before an underground garage facility would become available.

If on the other hand, the people occupying those buildings were to be moved now to another location, such as 400 North Capitol Street, we could proceed immediately to demolish the existing buildings and to design and construct the underground garage facility. It is thus possible that the garage would be available at approximately the same time as the completion date for the Dirksen building. A five year lease for all or part of the North Capitol Street building would undoubtedly suffice for our purposes and would not obligate the government for a long term. I understand, however, that the building is available on a lease-purchase agreement whereby, if the government wished, it could lease for a longer period and own the building by the end of the lease term. The location is relatively convenient, at the corner of Louisiana Avenue and North Capitol Street across from the reflecting pool and fountain over the Senate underground garage.

I believe that the proposal in general is probably worth consideration if the Senate feels that this is a propitious time for the appropriation of the additional funds required for an underground garage and surface facilities, which, as you may recall, were a part of the original authorization language for acquisition of the land on Square 724.

In that regard, it may be useful to compare the respective costs and areas involved, even though some of the numbers are of a preliminary nature and hence may lack some degree of credibility.

AREAS—APPROXIMATE NET OFFICE SPACE

Buildings presently occupied on Square 724—110,000 sq. ft.

Buildings to be occupied on Square 724—68,000 sq. ft.

Total—178,000 sq. ft.

Offices in 400 N. Capitol St. (entire building)—500,000 sq. ft.

(Building can be divided in half; area reflects deduction for corridor installation.)

COST

Cost of 1800 car underground garage and one story surface commercial facilities on Square 724 (if project proceeds now)—\$25 to \$30 million.

Escalation cost (4 years at 8 percent)—\$8 to \$10 million.

Rental cost (400 N. Capitol St.) (5 years at \$3,200,000)—\$16 million.

One-half total area—\$8 million.

Cost of converting occupied buildings on Square 724—\$270,000.

Additional cost for remaining buildings—\$80,000.

Total—\$350,000.

Cost of providing tenant partitions in one-half 400 N. Capitol St.—\$1,500,000.

It thus appears that if one-half the building at 400 North Capitol Street is leased in order to enable the garage project to proceed, very little, if any, net savings would occur unless costs were to escalate greater than 8 percent per year. On the other hand, 475 car spaces (one-half the total) would be available immediately, and the

1800 spaces planned for Square 724 would be available several years sooner. Some inconveniences would undoubtedly arise because of the greater distance of pedestrian travel that would be experienced.

I have attached a recent communication from the building owners explaining some of the details of their proposal.

I will be happy to provide further details in connection with the various possibilities if you feel that is desirable.

Cordially,

GEORGE M. WHITE,
FAIA, Architect of the Capitol.

400 NORTH CAPITOL ASSOCIATES,
July 29, 1975.

Re: 400 NORTH CAPITOL STREET, N.W.

Mr. GEORGE M. WHITE,
FAIA, Architect of the Capitol,
Washington, D.C.

DEAR GEORGE: After first confirming matters with my partners and obtaining their approval, I thought it would be most helpful to you if I took this means of submitting a firm proposal to you, all in line with our meeting of yesterday.

Due to the circumstances that I explained to you we are now prepared to do the following:

Lease the Building to the Senate for a term of five (5) years, the Building to be fully completed by us except as to Tenant Work, i.e., partitions, doors, hardware, etc., which is to be done by you at the Senate's cost and expense. The rent is to be \$3,218,750.00 per annum or \$268,229.16 per month on a completely net basis, i.e., the Senate to pay all taxes (if required by law to do so), insurance, utilities and all operating, replacement and maintenance costs.

We will grant an option to the Senate whereby they will be able at any time during the lease term and upon giving a year's prior notice of its intentions so to do to purchase the land and building free and clear of all liens and encumbrances at a price to be fixed by an appraisal of three (3) qualified appraisers—one (1) to be chosen by us, one (1) by you and these two then to choose the third.

Let me briefly comment about the rent. Based upon the method of computation used by The Washington Board of Realtors, the Building contains:

Office space—552,513 square feet.

Retail space—17,651 square feet.

Total office and retail space—570,164 square feet.

If one "values" the three and one-half floors of underground parking containing 948 spaces at a most reasonable annual sum of \$400,000 (this is only \$35.16 per space per month) this will leave the annual rent for the office and retail space at \$2,818,750.00 or only \$4.94 per square foot.

Aside from the obvious financial benefits, there are many advantages in this type of deal insofar as the Senate is concerned. To list just a few:

1. By a net lease you will be able to operate the Building as properly befits the Senate and in such manner as you alone see fit and with all the advantages and savings that you are able to command.

2. The short term of the lease together with the option to purchase will leave you most flexible—I should add that if the Senate should desire to purchase the property now (rather than lease it) the partners will be agreeable thereto with the price to be fixed in the same manner as set forth above with respect to the "option to purchase."

3. This opportunity should prove extremely attractive to the Senate for a variety of reasons and would eliminate relocation of employees for future construction work such as the planned Senate parking garage. By utilizing a 5 year rental program, I would conservatively estimate a possible savings of \$15 million on direct construction costs for this new garage plus a savings of at least five (5) years in construction time. To put a dollar value on the time saved is impossible, but it certainly would prove to be of great benefit to employees on Capitol Hill and, most certainly, to the taxpayer.

4. In addition to the features described above, there are obvious other "pluses" such as easy transportation flow, approximately 1100 hotel rooms adjacent to our building, subway station across the street and railroad facilities within one-half block. As you so aptly described, these are "logical" approaches, but they should readily

appeal to the Rules Committee and/or the Building Commission when and if the presentation is made to them.

I hope you will agree with us as to the extreme attractiveness of this proposal and that you will be able to discuss this with the Rules Committee and/or the Building Commission before the recess. I realize there may not be enough time left this week for a final decision to be arrived at, but at least if you can obtain an indication of interest, you and I can be working together during the recess to determine the extent, type and cost of the desired Tenant Work, the changes (if any) you may desire to make in the retail space and the cost thereof, and generally work out all details so that our proposal may be presented in final form to the Rules Committee and/or Building Commission upon their return in September for an early decision.

Please call on me if there is any additional information that you may require.

With best regards,

Sincerely,

GLEN H. BALLOWE.

Mr. HOLLINGS. The figure, incidentally, is 178,000 square feet of office space on block 724.

Mr. McCCLURE. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. McCCLURE. I think that would include the Plaza Hotel, which is occupied by police officers at the present time.

Mr. HOLLINGS. That is right. There is 110,000 square feet right now, and they plan to renovate another 68,000 feet, for a total of 178,000.

If we go ahead and lease the space over at 400 North Capitol Street, move this, and as we say, commence construction of the parking garage, then by the time it is constructed—3 to 4 years—the Dirksen Office Building will also have been completed and we could come from 400 North Capitol Street and move into that 500,000 square feet of office space that the Dirksen Building will provide. Then the lease does not have to continue. But we have even left that open ended because there could be a purchase involved if there were other unmet needs. However, that does not seem so now and that is why a lease is provided, and why there is no final determination that we are going to add more office space, as the Senator from Idaho outlined it.

Mr. McCCLURE. My understanding of the provisions of this appropriations bill is that this is to be a 5-year lease with an option to purchase.

Mr. HOLLINGS. That is right.

Mr. McCCLURE. I think the Senator knows that we will pay something additional for an option to purchase. They will not just throw that in free.

Mr. HOLLINGS. That is possible but it provides "not to exceed 5 years." We provided all the flexibility that the Senator himself would wish.

Mr. McCCLURE. The Senator provided a great deal of flexibility. But I am not sure I am certain of the need.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. McCCLURE. I yield.

Mr. GRIFFIN. If I could ask a question on that point with regard to flexibility, I notice on page 16, line 17, the figure \$3,375,000 a year is mentioned. I realize it says shall not exceed that. But is it a fact, as I have been led to believe, that this same building was offered for lease for us by the SEC at a lower figure and that the General Services Administration would not approve it because the lower figure was too high?

Mr. HOLLINGS. In responding to our distinguished friend from Michigan, let us get all the Mickey Mouses out of this thing.

Mr. GRIFFIN. I am trying to get the facts.

Mr. HOLLINGS. I am trying to answer it. The real charge here is that we are going for a higher lease than what they even offered it to the SEC. That is outright nonsense and inaccurate.

We have put every safeguard in here to protect the interests of the Government, and the U.S. Senate is not going to come around and lease a building that I have anything to do with 2 months or 3 months after it is rejected by the SEC for lower rent. That is absolutely false. There is no basis in fact for that.

In fact, we have the same figures that we used as what the offer was to the SEC in arriving at that \$3,375,000 amount.

Mr. GRIFFIN. Can the Senator from South Carolina provide those figures on the basis of comparing oranges with oranges to get in the record?

Mr. HOLLINGS. Yes in comparing oranges with oranges, it says total 500,000 square feet. They were talking about it at that time. It was \$7.48 a square foot. I immediately asked my own self how much does that include? Does that include renovation? Does that include the taxes? Does that include anything else? That is on a fully serviced basis. That is right. It is on a fully serviced basis. I do not know that is good.

Mr. MCCLURE. I say to the Senator my information is that the owners of the building offered it to the GSA—the SEC had requested more space and the GSA called for offers—and the owners of the building offered 75 percent of this building to the GSA at an annual rental of \$2.8 million. That price included taxes, utilities, maintenance, and some underground parking. Now it is suggested here that we rent not 75 percent, but 100 percent, for \$3,375,000 a year, and the Government must in addition pay the taxes, the maintenance, and the utilities. Instead of costing \$2,800,000 for 75 percent of the building, it will cost \$4,800,000 for the 100 percent. That is the figure that first startled me and first caused me to take another look at this question. And the Senate would have to spend as much as \$1,500,000 in addition for putting in partitions.

The full cost of that rental, if it were to enter into it, would be about \$8.20 a square foot. This is about \$2 a square foot above the going price for similar rentals.

Mr. HOLLINGS. Mr. President, will the Senator yield?

Mr. MCCLURE. Surely.

Mr. HOLLINGS. Let us give the committee some credit, and I appreciate the Senator asking these questions.

Let me tell the Senator what we are committed to. Turn to the top of page 17 and read the first three lines that nothing in this section shall be construed so as to obligate the Senate and any of its Members, officers, or employees to enter into any lease or incur any obligation.

Let us start at that particular point.

Our distinguished colleague from Maryland (Mr. Mathias) who was seated on this committee at the markup session said, "Let us make sure it is clean."

We are not quite clear about square footage. In fact, the Senator's committee and the Committee on Appropriations did not even argue about square footage because there was no firm offer. There was no clear-cut decision about this thing as there has been no clear offer as to costs. We wished to look into what the SEC had been offered. We thought we had the right figures on it, but to make absolutely certain that we not get into anything blind or commit the Senate without all the facts, we not only say it had to come back to the Committees on Rules and Administration and Appropriations, but we put in the affirmative: We are not committed to any kind of lease.

So we are not buying or leasing anything in voting this particular measure. The whole intent of the Committee on Appropriations was that with this building available, which had originally been planned for the Securities and Exchange Commission and with the Senate's unmet needs and desire to go forward with the garage, we should take a look at the feasibility of this building in serving our needs. I have been told that the interest payments to the owners of this building are very high and a tremendous burden; maybe there is a chance for a good deal for the Government.

I have heard salesmen before, but I wished to make sure it was a good deal for the Government before we are committed.

I knew about the need. We have been toying with the need 5, 6, or 7 years. For parking space we send our employees out there to the stadium and everywhere else in the world. The building could be taken by someone else. It is right adjoining the Senate's needs, and proximity is of tremendous value to use as a body and to the Government. But making certain that we were not obligated in any way and that we could ask those same questions the Senator is asking, we put on the face of this legislation that we are not obligated to any kind of square footage, garage space, or anything else.

Mr. MCCLURE. The Senator is correct in reading the language, which is written into the bill. But I think that adoption of this section carries with it a presumption that first, we need space, second, we need this space, and third, that this is the best available deal.

The only remaining question, then is the terms of the deal.

Mr. HOLLINGS. No, it is not a deal.

If the Senator will yield, it is not any deal. It is yet to be determined.

Mr. MCCLURE. All right.

Mr. HOLLINGS. Just those things, that it is the best available and that rental price could be so high that we decide to continue on our original course, continue to renovate 724 and await the completion of the extension before initiating the garage.

Mr. GRIFFIN. Mr. President, if the Senator will yield to me for an observation, it should be said, though, the Senator from Idaho is performing a real service in focusing upon this. I think he should press his point of order because the rules of the Senate do provide that we do not provide the money for something before we authorize it.

That is what we were doing here. Here we are providing the money in an appropriations bill for something that has not been authorized or has not been approved.

I was frankly surprised after the Senator from Idaho called my attention to this to find, first of all, that the Committee on Public Works had not approved it; second, that the Committee on Rules and Administration had not approved it. I thought surely the leadership of the Senate knows what it is all about. I find out the leadership of the Senate does not know anything about it.

That is putting the cart before the horse. It seems to me that we do not provide the money for something in this case that comes out of the contingency fund of the Senate. It is not going to be appropriated as a separate item. It is going to come out of the contingency fund of the Senate.

We do not operate in that way.

So I think that the Senator from Idaho should make a point of order. I intend to support him in it.

Mr. MCCLURE. I thank the Senator from Michigan.

Let me make an additional point.

Mr. HOLLINGS. Yes.

Mr. MCCLURE. I make this additional point so that it will be understood why my concern is focused on this.

I looked first at the facts as outlined by the Senator from Michigan in regard to the procedural matters. But then I started looking at the cost to the Government that was at least permitted, if not assured, under the Appropriations Committee action. The contemplated rental cost would be—when you add the rent, the utilities, the taxes, and the maintenance—\$4,880,000, as compared to the rental that was offered by the owners of the building to GSA: \$2,800,000 for 75 percent of the building.

GSA did accept an alternate tender at about \$1 a square foot less, at another location. Even though the SEC headquarters are next door, GSA arranged to move them some distance away for \$1 a square foot less.

The full cost of \$8.20 a square foot, as I said before, is about \$2 a square foot above the going rate for space outside the Connecticut Avenue-K Street area in Washington.

Let me cite a couple of examples on comparable square footage cost.

GSA this year rented for ERDA 260,000 square feet of space at 2d Street and Massachusetts Avenue, Northwest. The comparable square footage cost was \$6 for each of 5 years.

The Bicentennial Building at 6th and E Streets was rented by GSA on December 1. That was for 60,000 square feet. The comparable cost was \$6.20 for a 10-year lease. It is estimated that a 5-year lease would have been \$6.50 a square foot. This compares with \$8.20 a square foot, if it were at the ceilings authorized by this appropriations action. I think we have to ask questions about that.

Mr. HOLLINGS. If the Senator will yield, he should give the committee and his colleagues in the Senate the credit for having asked those questions. This is what the Appropriations Committee stated in their report. Incidentally, if we had left it to the leadership, they would have busted down the wall on the west front of the Capitol. That was a drive made 3 years ago by the leadership because they said we needed the space. They want to be informed about the need. If they want to be informed about rules, the rules are that you cannot act in the legislative bill without legislating, but they did not raise the point when their staff salaries were increased in July, and that increase was also legislation.

Does the Senator want to get to the rules and inform the leadership, or does he want to get to the merits and ask questions?

I read from page 47 of the committee report:

The committee, in recommending this authority, notes that a considerable amount of information is required before the Senate embarks on a major property management program.

This would have been a major one.

The committee directs that the General Accounting Office make a comprehensive and complete examination of the proposed transaction for the use of the Committees on Appropriations and Rules and Administration before any lease is signed.

That is the point. We are going to get a GAO audit to find out about the Senator's figures before any lease is signed. What more could the committee do? Someone

gets up and says that this is a real service. It would be a better service if the Members would read the report. What is wrong with that?

Mr. McCLURE. I say to the Senator that I did read the report. That is what piqued my curiosity.

Mr. HOLLINGS. Did the Senator not see that our curiosity was piqued?

Mr. McCLURE. Yes.

Mr. HOLLINGS. So we are both piqued. Does the Senator have a better proviso?

Mr. McCLURE. A better proviso, I would suggest, would be that we determine whether or not we are going to build the underground parking garage, because that was looked at some time ago. If we do not build the underground parking garage, and the Senate has not acted on that affirmatively, then the buildings on square 724 will not be demolished. If the buildings on square 724 are not demolished, that will have a great effect on our space needs, which have been stated as being so obvious. I agree that the space needs are obvious.

Mr. HOLLINGS. The Committee on Public Works determined that the garage is going to be built. It has to be authorized, and we are trying to do it in the context of a timing schedule.

Mr. McCLURE. The Public Works Committee has taken only one action with respect to the underground parking garage, and that was to authorize a competition for design.

Mr. HOLLINGS. And we withheld that, because there is no use trying to do that while we are using that space, and while it was absolutely necessary that we have the space. There was no way in the world to go forward with the garage until we freed up the space.

Let me put it this way: I have not heard anyone, including the distinguished leadership, say that we do not need that parking space. Everyone has determined that. Even the distinguished Senator, in his presentation this morning, said he knows the need is there.

So we put all these matters in here for the committee checkoff, for the particular proviso. Does the Senator want to add the Committee on Public Works? We will be delighted to add that. I told them I did not want property management. That is why we put GAO in there and let property experts look at the square footage and the accessibility, with the experience of the General Accounting Office, to bring that information back by square footage of garage, square footage of office space, and everything else, before these two committees act.

We could present some amendments that we have an affirmative resolution by the Senate, if we think that is in the best interests of the Government. This does not slough over or disregard any question the Senator has posed this morning—except, of course, the leadership question.

Mr. McCLURE. I believe that two provisions in the bill need to be explored a little further.

One is this: Under what circumstances would the Senate acquire ownership of the building as contemplated by the language on page 16, line 23?

Mr. HOLLINGS. The circumstances would be as follows: GAO immediately would contact GSA and SEC about the other information available with respect to the rental of office space in the District. After that, they would prepare their report of what was available, what was being asked, and everything else, and it would come to these two committees.

If these two committees determined that they wished to go ahead with a lease or a lease purchase or a lease for 1 year or a lease not to exceed 5 years, or that they could not make arrangements or enter into a contract, then they would abandon it. If they could enter into a contract, then the Sergeant at Arms would be authorized by those two committees to move forward and enter into that lease arrangement.

Mr. McCLURE. But if the Dirksen extension is finished as contemplated—and I understood the Senator to say that when that is done, the people could be moved back from this property to the Dirksen Building—why would there be any need to purchase this property?

Mr. HOLLINGS. There have been various moves, including one by the SEC, which was reported to me. I was looking at the 500,000 square feet availability, and I wondered about the rest of the building and everything else. They talked about the Buzzards Point space going to the SEC. It is delayed now, with respect to that particular move.

I do not have the square footage; I do not have the tenants. I had enough information at hand, at the behest of the Public Works Committee, the architect, and the Committee on Rules and Administration, and then the 5-year experience of handling this bill, to say that if this is the supplemental and we will not have another one until next

May, let us keep the door open. I did not know how to keep it any more open than to start someone looking into costs, let GAO start learning of these things, for us, report back to the two committees, who could then act one way or another. Any other caveat in there that would allay the concerns of the distinguished Senator from Idaho, we are ready, willing, and able to agree to. We are not really shoving—the Senator from South Carolina is not shoving on this lease. I am just as skittish about it as anybody else. I would rather the Senate would suffer for a while than for me to be responsible for this lease.

The PRESIDING OFFICER. The Senator's 40 minutes have expired.

Mr. McCCLURE. Mr. President, I think we were probably about 10 minutes late starting on our 40 minutes, rather than having 40 minutes expire from the time we actually started the colloquy. But without belaboring it further, I do make the point of order that this section 112 is legislation on an appropriation bill.

Mr. HOLLINGS. Mr. President, I raise the question of germaneness.

The PRESIDING OFFICER. All questions of relevancy of amendments under this rule, when raised, shall be submitted to the Senate and be decided without debate.

The question is, Is the amendment germane?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays on the question of germaneness.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, what is the question?

The PRESIDING OFFICER. The question is on the germaneness of the amendment.

Mr. ROBERT C. BYRD. Would the Chair state the question, please.

The PRESIDING OFFICER. Is it the sense of the Senate that the amendment is germane?

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. GRIFFIN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRIFFIN. If the Senate decides that the matter is germane, does the point of order of the Senator from Idaho relating to the raising of the question of legislation on appropriation bills then fall, and there will be no opportunity for the Senate to vote on it?

The PRESIDING OFFICER. It does—it does fall.

Mr. GRIFFIN. It does fall.

Mr. HOLLINGS. That is right.

Mr. GRIFFIN. I thank the Chair.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that the amendment is germane?

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. May we have order in the Senate, please. The clerk will suspend until the aisles are cleared and the well is cleared.

May we have quiet in the Senate, please. The Senate is not in order. The clerk will suspend until the aisles are cleared, the well is cleared, and order is restored in the Senate.

The clerk will continue.

The assistant legislative clerk resumed and completed the call of the roll.

Mr. ROBERT C. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. Bayh), the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Washington (Mr. Jackson), the Senator from North Carolina (Mr. Morgan), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I also announce that the Senator from Alabama (Mr. Allen) is absent because of illness.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore), the Senator from North Carolina (Mr. Morgan), and the Senator from Washington (Mr. Jackson) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. Brooke), and the Senator from Virginia (Mr. Scott) are necessarily absent.

I further announce that the Senator from Kansas (Mr. Dole) is absent to attend the funeral of his father.

I further announce that, if present and voting, the Senator from Kansas (Mr. Dole) would vote "Nay."

The yeas and nays resulted—yeas 57, nays 33, as follows:

[Rollcall Vote No. 570 Leg.]

YEAS—57

Abourezk	Hart, Philip A.	Mondale
Beall	Hartke	Montoya
Bentsen	Haskell	Moss
Biden	Hathaway	Muskie
Bumpers	Hollings	Nelson
Burdick	Huddleston	Nunn
Byrd, Robert C.	Humphrey	Pell
Cannon	Inouye	Randolph
Case	Johnston	Ribicoff
Chiles	Kennedy	Schweiker
Church	Leahy	Sparkman
Clark	Magnuson	Stennis
Cranston	Mansfield	Stevens
Culver	Mathias	Stevenson
Eagleton	McClellan	Stone
Eastland	McGee	Symington
Ford	McGovern	Talmadge
Glenn	McIntyre	Tunney
Hart, Gary	Metcalf	Williams

NAYS—33

Baker	Goldwater	Percy
Bartlett	Griffin	Proxmire
Bellmon	Hansen	Roth
Brock	Hatfield	Scott, Hugh
Buckley	Helms	Stafford
Byrd, Harry F., Jr.	Hruska	Taft
Curtis	Javits	Thurmond
Domenici	Laxalt	Tower
Fannin	Long	Weicker
Fong	McClure	Young
Garn	Packwood	
	Pearson	

NOT VOTING—10

Allen	Durkin	Pastore
Bayh	Gravel	Scott, William L.
Brooke	Jackson	
Dole	Morgan	

The PRESIDING OFFICER (Mr. Stone). On this vote the yeas are 57, the nays are 33. The language of the amendment is held to be germane.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was held to be germane.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order.

Under the previous order, the hour of 12 noon having arrived, time on H.R. 10647 is to be equally divided and controlled by the Senator from Arkansas (Mr. McClellan) and the Senator from Alabama (Mr. Allen), with the vote thereon to occur at 4 p.m.

Mr. Hollings addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I ask the desire of the committee chairman.

May I ask unanimous consent to dispose of two other amendments, or shall we come back later to them this afternoon?

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. There is no reason that we cannot proceed now.

I yield the Senator 10 minutes to dispose of these amendments.

Mr. McCCLURE. Mr. President, will the Senator yield for one question?

Mr. HOLLINGS. Yes, I yield.

Mr. McCCLURE. In view of the vote taken by the Senate, will the Senator be willing to include in this section language that calls for an affirmative action of the full Senate before any lease is entered into?

Mr. HOLLINGS. I agree to that.

Will the Senator prepare it? I will have my staff over here on the Senate resolution.

Mr. President, I send to the desk an amendment by the distinguished Senator from Idaho and myself and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

[The amendment is as follows:]

On page 16 strike out all after line 7 over to and including line 8 on page 18 and insert the following:

Sec. 112 (a). Notwithstanding any other provision of law, the Sergeant at Arms of the Senate, subject to the approval of the Committee on Rules and Administration, and the Committee on Appropriations, is authorized to lease, for use by the United States Senate, and for such other purposes as such committees may approve, all or any part of the property located at 400 North Capitol Street, Washington, District of Columbia, known as the "North Capitol Plaza Building": *Provided*, That rental payments under a lease for the entire property shall not exceed \$3,375,000 per annum, exclusive of amounts for reimbursement for taxes paid and utilities furnished by the lessor: *Provided further*, That a lease shall not become effective until approved by Senate Resolution. Prior to such approval process the General Accounting Office shall examine the terms of the proposed lease and shall report to the Senate on its reasonableness, taking into account such factors as rental rates for similar space, advantages of proximity, and possible alternative arrangements. Such payments shall be paid from the Contingent Fund of the Senate upon vouchers approved by the Sergeant at Arms: *Provided further*, That such lease may be for a term not in excess of five years, shall contain an option to purchase such property, and shall include such other terms and conditions as such committees may determine to be in the best interests of the Government: *Provided further*, That nothing in this section shall be construed so as to obligate the Senate or any of its Members, officers, or employees to enter into any such lease or to imply any obligation to enter into any such lease.

(b) Notwithstanding any other provision of law, property leased under authority of subsection (a) shall be maintained by the Architect of the Capitol as part of the "Senate Office Buildings" subject to the laws, rules, and regulations governing such buildings, and the Architect is authorized to incur such expenses as may be necessary to provide for such occupancy.

(c) Notwithstanding any other provision of law, the Sergeant at Arms of the Senate, subject to the approval of the Committee on Rules and Administration and the Committee on Appropriations, is authorized to sublease any part of the property leased under authority of subsection (a) which is in excess of the requirements of the Senate. All rental payments under any such sublease shall be paid to the Sergeant at Arms of the Senate and such amounts shall thereupon be added to and merged with the appropriation "Miscellaneous Items" under the Contingent Fund of the Senate.

(d) Notwithstanding any other provision of law, upon the approval of the Committee on Rules and Administration and the Committee on Appropriations, the Secretary of the Senate shall transfer by voucher or vouchers to the Architect of the Capitol from the "Contingent Fund of the Senate" such amounts as may be necessary for the Architect of the Capitol to carry out the provisions of subsection (b) and such amounts shall thereupon be added to and merged with the appropriation "Senate Office Buildings".

(e) The authority under this section shall continue until otherwise provided by law.

Mr. HOLLINGS. Mr. President, may I get the attention of our colleagues?

The PRESIDING OFFICER. Will the Senator suspend a moment?

The Senate is not in order.

Will Senators conversing in the aisles kindly withdraw to the cloakroom?

The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, the Senator from Idaho and the Senator from South Carolina have the same desire that we not rush in, that we have Senate approval

and that the leadership and all Senators are fully informed, thereby we propose this amendment which provides in essence that in addition to the language already in this section, a lease shall not become effective until approved by Senate resolution. Further, we write the GAO review into the statutory language, rather than having it appear only in our report.

I think with that affirmative language that will clear up any misgivings on both sides of the aisle.

I ask for its adoption.

Mr. McCLURE. Mr. President, I thank the Senator from South Carolina for offering this amendment on our behalf and I hope that Senate will approve it.

The amendment was agreed to.

PUBLIC LAW 94-157

SEC. 112. (a) Notwithstanding any other provision of law, the Sergeant at Arms of the Senate, subject to the approval of the Committee on Rules and Administration, and the Committee on Appropriations, is authorized to lease, for use by the United States Senate, and for such other purposes as such committees may approve, all or any part of the property located at 400 North Capitol Street, Washington, District of Columbia, known as the "North Capitol Plaza Building": *Provided*, That rental payments under such lease for the entire property shall not exceed \$3,375,000 per annum, exclusive of amounts for reimbursement for taxes paid and utilities furnished by the lessor: *Provided further*, That a lease shall not become effective until approved by Senate Resolution. Prior to such approval process the General Accounting Office shall examine the terms of the proposed lease and shall report to the Senate on its reasonableness, taking into account such factors as rental rates for similar space, advantages of proximity, and possible alternative arrangements. Such payments shall be paid from the Contingent Fund of the Senate upon vouchers approved by the Sergeant at Arms: *Provided further*, That such lease may be for a term not in excess of 5 years, and shall contain an option to purchase such property, and shall include such other terms and conditions as such committees may determine to be in the best interests of the Government: *Provided further*, That nothing in this section shall be construed so as to obligate the Senate or any of its Members, officers, or employees to enter into any such lease or to imply any obligation to enter into any such lease.

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(e) The authority under this section shall continue until otherwise provided by law.

Senator McCLURE. The issue, as I see it is this: Does the U.S. Senate need this additional office space, and will it need it after the Dirksen Extension is completed? And is the space convenient to the operation of the Senate?

I will point out that the Senate has some 25,000 square feet of office space still to occupy in the Senate corridor in the Hill Apartments across the street from this building. And while it may not be prime space, it has several virtues. We have appropriated money to renovate it. It has good proximity to the other Senate offices,

and it will only be used until the Dirksen Extension is completed in 3 years.

That extension will provide over half a million square feet of space, nearly double what is now available in the Russell Building. That should certainly take care of the Senate space needs into the future.

How will the building fit in with the completion of the Dirksen Extension? What will we do with it once the Dirksen Extension Building is completed and occupied? Some will argue it will enable the Senate now to construct a new underground garage north of the Dirksen Building. But is a \$25 million underground parking garage really a priority item at this time with Metro now open and serving the Senate with the stop that is about the same distance from this building as 400 North Capitol?

Another question possibly more pertinent is whether the location of the building at 400 North Capitol Street is really suitable to the Senate. Walking at a normal pace and obeying the traffic lights takes about 8 minutes to walk from the front door of 400 North Capitol Street to the 1st and C Streets entrance of this building.

In that time a person uses 625 strides to cover about a third of a mile. And I would say that 625 strides means you are long-legged and you are not one of the girls around here that might be walking that.

Of course, if you are traveling from a room inside of that building to this room, the trip would cover over a half a mile. If you were going to a room in the New Dirksen Extension, the walk would be even farther.

Let's assume that an employee of this committee needed to make three round trips a day between offices at 400 North Capitol and here. That employee would spend more than an hour of each working day in transit. While that may be healthy, I doubt that it is a very good expenditure of the taxpayers' money.

Mr. Chairman, while I can't be here for the entire hearing—I am involved, starting at 10:00 in the investigations with respect to former Secretary of the Army, Mr. Callaway—I do intend to study the transcript with interest. I look forward to the testimony.

I would add just one further note, and that is that there is another study under way now over which the Architect has no responsibility. I am not sure what will come of that study. I refer to the one concerning the internal organization of the Senate. Will we, as a matter of fact, as a result of that study reduce the number of committees and subcommittees?

I think if we do have any meaningful reorganization, almost every student of the affairs of the legislation has agreed that it will include a reduction in the numbers of committees and subcommittees. And it is the proliferation of the committees and subcommittees that has made the greatest demand upon the space available in the legislative office buildings.

Perhaps we ought to look at our space requirements not in the light of the personal staff of each member but in the light of the demands and probable demands for the Senate as a whole.

I share with you, Mr. Chairman, the feeling that we require our staffs to work under conditions that no private industry would tolerate. I also have the suspicion that several of Parkinson's laws apply, that

if we increase space, we will increase staff to occupy the increased space just as fully as we now occupy the present space. I am not certain that is correct, but it may well be.

With that, Mr. Chairman, I look forward to hearing the testimony.

Senator MORGAN. Thank you for coming, Senator McClure. If you will leave me a copy of your statement, I will see that we get answers to your questions.

Senator Randolph has just come in. We are delighted to have our chairman with us this morning.

Mr. Chairman, Senator McClure and I have just made some profound observations in our opening statements. We would be delighted to hear any more that you might have to offer.

**OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S.
SENATOR FROM THE STATE OF WEST VIRGINIA**

Senator RANDOLPH. Mr. Chairman, I think it is very important for you and the members of the committee, of course, and especially the Subcommittee on Buildings and Grounds, that this matter of space be very, very carefully considered.

We have had a rather persistent problem, which has been brought to the attention of not only your subcommittee and the Senate as to the adequacy of space available to carry out the activities of the Senate.

It is important that you make a very thorough survey of whatever needs are documented before your subcommittee, and that insofar as possible there be an attempt, if it is not already being done, Mr. Chairman, to contact all the members of the Senate who are chairing committees and/or subcommittees and determine what their space needs might be.

I would think that there is a reason also to make contact with the individual members and see if they have needs for the space.

I think the problems of space and the adequacy of the offices themselves must also be coupled with what seems to be an apparent need for parking spaces here on Capitol Hill.

I look upon this hearing today as important, and I am sure that you will do a very thorough job. Because I think it is highly important that when the Senate spends money, that it spend that money judiciously and that the return for the dollar be very real from the standpoint of a more efficient operation of the Senate itself and adequate space for the members of the Senate.

Sometimes when I look across the Capitol Plaza and see what happens in regard to the House providing space for its operation, I rather feel that we may not be here in the Senate doing what would be good housekeeping from the standpoint of the Senate operations.

Even after we built the James Madison Memorial Library, the House now wants to take it over for office space. I am not saying that they have an appetite on the other side of the Capitol for space that does not exist or that the need is not there. But, Mr. Chairman, I return to my original thought. And that is that I think the people of the United States generally would want their representatives in Congress, whether in the House or the Senate, to have adequate facilities with which to do the work and to facilitate the personnel

in doing that work; and also that the expenditures be made very carefully, the agreements be arrived at after study and deliberation. Then if in the collective opinion of the Senate we need to move forward, then I think we should move forward.

And I am certain that that is the basis on which your hearing, sir, is held today.

Senator MORGAN. Thank you, Mr. Chairman. We will address our attention to that regard.

I might add another thought. I have 15 employees situated in the Post Office Building at Raleigh, North Carolina. They are there because we have no space for them to work here in Washington.

There are those who might say that 15 employees are enough for my office, both here and in Raleigh. But, Mr. Chairman, my mail last year averaged 2,000 letters a week. Every constituent of mine is entitled to a response. I think the public would insist that they have such response. So I make no apologies for saying that I need space.

Mr. White, we would like to know how others feel too. If you will make your introductory remarks, we will then proceed to carry on a colloquy about various aspects of the proposal.

STATEMENT OF GEORGE WHITE, ARCHITECT, U.S. CAPITOL

Mr. WHITE. Thank you, Mr. Chairman. As I mentioned before the hearings began, I do not have a prepared statement. With your permission, I will make some general remarks and then be available for whatever questions you might have.

Speaking first regarding the question of available space, which I believe is the foundation for a determination of the need, I should say that a number of remarks that have been made here up to now are very appropriate in that the lack of space is a vital consideration.

The extension to the Dirksen Building will indeed provide substantially more space. That was the basis for the appropriation of funds and the reason for proceeding with that particular project. We will, as you may recall, provide two-and-a-half times as much space as now exists for each Senator within his office area. I don't mean his personal office. I mean the staff office out of which all of the Senatorial business is conducted.

In addition to that the extension will provide space almost double what is now in use by the committee staff areas.

On the other hand, I have testified on other occasions that because of the crowded conditions that now exist, and to which you have referred, if the Dirksen Extension were to be available tomorrow by virtue of some miracle, and if all of the present employees of the Senate were to be then spread through all of the buildings at an appropriate number of square feet per employee, the new extension would be full as of the time of its completion tomorrow.

I don't know what that will mean 3 years from now when it is completed, and, as you so discerningly remarked, there is always the question of whether the construction process will enable us to meet the schedules that we hope it will. Presumably, in late 1978 or early 1979 that building will be available to us.

The number of square feet per employee that we are experiencing at the moment within Senators' offices is of the order of magnitude of 65 square feet per employee.

Senator MORGAN. Does that include the space assigned to the Senators themselves.

Mr. WHITE. That does not include the space for the Senator himself. I removed that because it obviously has to be a private office. I did, however, include whatever space is assigned to the Senator's legislative assistant or administrative assistant, which may also be private space. So there is some distortion in the number. It is probably even smaller than that.

That was obtained by using the average number of employees that Senators have and the average space utilized in Senators' offices, which is about 2100 square feet. Now, that is the net square footage inside Senators' offices without taking into account partitions, toilet rooms or closets. It is the space available in which to place desks and reference tables, chairs and files and so forth.

That crowded situation is further amplified in terms of the space utilized by committees. We have that in some detail. For example, the minimum areas in committee spaces run from 56 square feet per employee to 60, 70 or 80 square feet per employee. I am reading those figures from the list that I have here. There are some at the other end of the scale averaging 137 square feet per employee in certain areas.

There is, however, a reason for that in that some of the committee activities require a great deal of private space for private conversations. The Legislative Counsel, for example, has to have that kind of space. So it is inappropriate to judge the committees all on the same basis.

There is, nevertheless, a general picture of not enough square feet per employee in the sense that, as you mentioned in your remarks, the standards commercially are substantially higher than those that are being experienced here. The GSA, for example, has as an absolute minimum for secretarial pool areas, where a great many desks are capable of being located in close proximity to one another, of 100 square feet per employee. One hundred twenty would be a lot more appropriate, and it is generally considered to be the minimum commercially.

In my judgment, as I have stated on other occasions, in the kind of activity that takes place on the Hill, that number of square feet per employee should really be closer to 150, largely because of the large amounts of reference and research work that takes place in work that is done on the Hill as compared with the commercial enterprise where there may be simply a great deal of copy typing taking place or desk activity that doesn't require a lot of reference work.

That is one of the reasons why I say that if we now had the increase of $2\frac{1}{2}$ times the existing space that is now being constructed in the extension to this building, since $2\frac{1}{2}$ times 65 square feet is somewhere in the neighborhood of 150, we would then be where we ought to be and begin to crowd again, which has been the past pattern.

There has been a building built here about every 25 years, starting with 1910. And we are now in that same cycle. The cycle is one of crowding until there needs to be some relief given, and then a building is built. But that really has been inadequate for any long period of time and I predict that it will also be inadequate this time.

I have urged on other occasions that the committee consider long-range planning now for another building. That is, of course, based on an extrapolation of the curve of expansion which we have experienced up to now. There may be other things which will occur that will cause that either to stabilize or diminish, as Senator McClure mentioned with regard to studies now taking place.

Those factors are, I presume, ones that the committee will consider in making its judgments.

Senator MORGAN. Let me interrupt you. Do I understand you to say that, according to your computations, the average space occupied by each employee within Senators' offices is 65 square feet per person?

Mr. WHITE. That is correct.

Senator MORGAN. That includes space allocated to administrative assistants, legislative counsel, and legislative assistants?

Mr. WHITE. That is correct.

Senator MORGAN. You also say GSA has a minimum requirement of 100 square feet per person in the secretarial pool?

Mr. WHITE. That is correct.

Senator MORGAN. So when you speak of those offices where a Senator's assistant should be allowed to confer privately, we have only an average of 65 square feet per person in Senators' offices?

Mr. WHITE. That is correct. That is the reason, of course, for the extension of the Dirksen Building being constructed, because that very difficult space situation has been recognized.

Turning then to the question of 400 North Capitol Street specifically, the history of its consideration is well-known, I believe, and I therefore won't be repetitive.

As to whether or not it has value for the Senate, my judgment has been in the past, and I have so stated, that I think it results in a financial balance to buy or lease the building, provided that the costs—speaking purely, now, from the standpoint of cost, which is only one factor, I am sure, that will be considered—compare favorably with predicted savings that construction of an underground garage with surface facilities would yield if it were to take place now on Square 724. To proceed with that project now would presumably save a great deal of money over doing it later because of the expected continued escalation in the construction industry.

Its construction would otherwise, of course, take place a number of years hence. To proceed now would result, obviously, in the logistical problem of having to provide a place for present employees to work until such time as the Dirksen Extension is completed.

Those employees are now occupying the buildings on Square 724 and, as Senator McClure states, there is still some available space there, which by the middle of this summer will be completely utilized.

Senator MORGAN. Why is that space not now occupied?

Mr. WHITE. It is not now occupied because we haven't yet completed the alterations that need to be done. We are minimizing the alterations. About as fast as we are able to complete the alterations, the Rules Committee has been assigning people to the space. I understand from conversations with the staff members of the Rules Committee that they have a great many more requests for space than is now available for assignment.

Senator MORGAN. That is what I wanted to make sure of. I am one of those with a request in, and I just want to make sure that if there is some, for which no request has been made, I want it.

Mr. WHITE. There are only two buildings that are not completed in terms of the minor alterations which we are making. One of them is the so-called Senate Court Apartments, in which virtually five of the floors have been assigned. We are working on the balance of the fifth floor now. The other is the Hill Apartments, which is the next building to the east. We haven't yet begun to work there.

As fast as we can complete, people are being assigned to that space. The prediction is, as I understand it from the Rules Committee staff information, that by the middle of the summer all of that space will be occupied.

It thus has merit to provide some kind of reservoir of space for the continued needs that are predicted until such time as the Dirksen Building Extension is available. When it is available, there will, of course, be 50 Senators who will move into that building. That will, of course, leave this building and the Russell Building with the need for alterations to be made internally in order to accommodate the expanded areas for those Senators and those committee activities that will remain in these buildings.

Senators, as you know, now have from five to seven rooms along the corridor. To offer two-and-a-half times as much space in the same arrangement will give them 12 or 14 rooms along the corridor, which is not a particularly desirable arrangement in terms of office layout. We have some thoughts as to how to resolve that design problem.

There will, of course, have to be some compromises made. But during that alteration period there will undoubtedly be the need for some reservoirs of space in order to permit the business of the Senate to be carried on without the noise and the dirt and inconvenience of the construction process taking place within the same building over a several-year period.

The purchase of 400 North Capitol Street has the merit of being the reservoir for that as well as before the completion of the Dirksen Building.

With regard to parking, which was mentioned as well, I think everyone is aware of the very stringent difficulties that now exist in terms of available parking spaces. There are approximately 6800 employees that work on the Senate side of the Capitol complex. That includes employees not only of the Senate as such but of the police, the Architect of the Capitol, the Senate restaurant and everyone that works on the Senate side even though they may not be on the payroll of the Secretary of the Senate.

We have on the Senate side a total number of parking spaces, as of February, of 2,592. That varies, of course, to some degree, and it is probably a little over 2,600 now. But that is the order of magnitude.

Senator McCCLURE. Is that off-street?

Mr. WHITE. That includes on-street parking, off-street parking and garage parking. That is the grand total. We have that broken down, if that information is desired.

The parking situation is a very stringent problem. This building would provide approximately 950 parking spaces. On the other hand, it has been brought to my attention that the 950 count is based on attendant parking. That is, parking spaces that would be available for parking by the driver without any movement of other cars would be less than that. I am not prepared to say how much, but something less than that. At least that is my understanding of it.

The building thus has those kinds of possible uses.

Regarding leasing as opposed to purchase, I am sure the Sergeant at Arms will comment on that. I was present at all of the meetings that took place in that regard, and there was a general feeling that if the Senate needs it at all, then it would probably be more appropriate to purchase it, cost-wise, than it would be to lease it, since the leasing period would undoubtedly have to take place over a long enough period of time to more than balance the cost of purchasing.

I might add one other thing with regard to the general approach to the acquisition of property. It has been my recommendation since I have been here, which is now 5 years, that the Congress ought to acquire whatever space is made available to it on the Hill, and if it didn't need the property, it could lease it. I think that the past, if it is any guide for the future, would indicate that the cost of property is not going to diminish. And the needs of the Congress seem not to diminish either.

It would therefore seem appropriate to acquire properties not on the basis of seeking them, but to acquire those which are offered and which seem to be in the reasonable line of expansion and, in effect, put them in the bank. They could be leased to others, if that were desirable. There are other government agencies as well as private organizations that could undoubtedly use the space.

Senator McCLURE. Maybe we could lease them to the House.

Mr. WHITE. You could lease them to the House. That is correct.

Senator McCLURE. I think the Speaker is looking for some space.

Senator MORGAN. Mr. White, just for the record, maybe I ought to ask you some questions that Mr. Purinton and I prepared, in order to make sure we have all of the information documented.

You have given us a very good summary, but, there may be some areas we will need to come back to.

As Architect of the Capitol, aren't you responsible for all technical matters pertaining to buildings and related facilities, that are now situated on the Capitol grounds or that may be acquired.

Mr. WHITE. That is correct.

Senator MORGAN. You are familiar with, and have been involved in, various discussions with the owners of the North Capitol Street Building regarding their proposal to sell it to the Senate. Why do they want to sell this building?

Mr. WHITE. Well, of course, I am sure they can speak for themselves, but the presumption is—

Senator MORGAN. As you understand it.

Mr. WHITE. It is a financial investment from their standpoint, and they are interested in selling it or leasing it to us or to someone. That is the reason that it was built. Incidentally, my first knowledge of it was on February 18, 1975, when I received a letter from Mr. Brophy, who is the realtor that apparently represents the owners.

It is a letter which is more or less an announcement of the availability of the building and an inquiry regarding whether there was any interest on the part of the Congress.

I replied to that letter on March 14, 1975, stating, among other things, that "the need for additional space for the Congress is presently not planned to be filled by the rental of nongovernment-owned property. However, I shall keep your office building in mind in the event that any temporary space needs develop over and beyond those presently anticipated."

That was the beginning of our knowledge of the availability of the building. So I presume that the owner as a private developer is interested in renting or selling his building.

Senator MORGAN. As I understand it, the building is vacant, isn't it?

Mr. WHITE. That is correct.

Senator MORGAN. Would you describe the building?

Mr. WHITE. The building is a completed building with the exception of what are sometimes called tenant facilities. Normally a building of this nature is built in such a way that when a tenant is finally found, the space is divided up in accordance with the tenant's needs. So the building now requires that process to take place.

In other words, partitions have to be installed within the building. Lighting has to be provided in accordance with that layout. Electric outlets, telephone outlets, and all the rest of the things to make it finally usable have to be installed. Flooring has to be finished, for example.

But except for that the building is complete and awaiting a tenant.

It has in it, depending upon how one counts the number of square feet—and there are a number of ways of doing that. But by the method the GSA uses, there are approximately 470,000 net square feet in the building available for office use.

Senator McCLURE. That is in addition to the parking space?

Mr. WHITE. Yes.

Senator McCLURE. That is on floors two through seven?

Mr. WHITE. That is correct.

Senator MORGAN. When you refer to "net," you are talking about office space?

Mr. WHITE. That is correct.

Senator MORGAN. You have testified about the square footage available for Senate employees, and the working conditions in the Senate. Is it your opinion that Senate needs are such that the Senate would be justified in purchasing the building at this time?

Mr. WHITE. I believe that is a question which I can answer in the affirmative. On the other hand, I have to qualify that, because, although crowded, we are presently occupying usable space. We are somehow carrying on the business of the Senate.

As I mentioned in my general statement, there are a number of ways in which it might be advantageous to purchase or lease the building. It could be said, of course, that we can get by without it. Up to now we have done so and we didn't seek the proposal. It came to us for consideration.

On the other hand, I think it has merit for the reasons that I have mentioned—namely that we need a reservoir of space. We are

going to run out in Square 724, and we have 3 years left for the construction period for the extension to take place. We need parking and we will need a reservoir of space during the alteration and construction period for the existing buildings once we move into that stage.

Senator MORGAN. Let's talk about the space available in the buildings on Square 724. One is the Capitol Courts Apartment Building. Is that correct?

Mr. WHITE. That is correct.

Senator MORGAN. And that was built for residential purposes?

Mr. WHITE. That is correct.

Senator MORGAN. As such, we have a residential building now used for offices, with different floor load requirements?

Mr. WHITE. That is correct.

Senator MORGAN. Therefore, you must now restrict the number of file cabinets and occupants in that particular building.

Mr. WHITE. That is correct.

Senator MORGAN. In addition, part of the Senate computer center operates in that building, which was constructed for apartments. Is that correct?

Mr. WHITE. I believe that is correct.

Senator MORGAN. This space is not the kind recommended by computer manufacturers for installation and operation of their equipment?

Mr. WHITE. Well, it is not clear to me that there are any actual computer hardware in those buildings. But I believe there are employees there who are working in that area.

Senator MORGAN. We will pursue that further. The other building on Square 724 is an old hotel, is it not?

Mr. WHITE. That is correct.

Senator MORGAN. That, too, was built for occupancy by residents, rather than for office space, wasn't it?

Mr. WHITE. That is correct.

Senator MORGAN. Are there any restrictions on occupancy of that building for office space?

Mr. WHITE. Yes. All of the buildings on that square, Mr. Chairman, with the exception of the old Immigration and Naturalization Building were residential buildings.

Senator MORGAN. We are going to have to recess, due to interruptions. I can't properly conduct this hearing with conversations going on over there and also behind me. I am sorry. I can't hear.

Alright, now let's go back, Mr. White. You were talking about the hotel building.

Mr. WHITE. All of the buildings on Square 724 with the exception of the old Immigration and Naturalization Building were built for residential purposes and are not adequate for office occupancy. And we have, as you mentioned earlier, in all those buildings, limited the files to two-drawer files. We have limited the number of people that occupy the building.

I must confess, Mr. Chairman, that we are not able to police that adequately, and we sometimes get overloading, by virtue of people placing bookcases on top of the desks or on top of the files to somehow circumvent the restrictions in an effort to provide appropriate working conditions.

Senator MORGAN. Several years ago the Senate passed the Occupational Safety and Health Act. Do these old buildings, and office space in the Senate Buildings, meet all requirements of the Occupational Safety and Health Act?

Mr. WHITE. As to the occupancy, I think we would be in some difficulty because of the crowded conditions. Even the Immigration and Naturalization Service Building, which is appropriately loaded in terms of its constructional capacity to carry the load, is nevertheless crowded insofar as the use of space is concerned.

Senator MORGAN. You have testified that the new Dirksen Building Extension will be completed in late 1978 or early 1979.

Mr. WHITE. That is correct.

Senator MORGAN. You have testified that when the building is completed there will be a period of shifting office spaces. There will also be another period during renovation of the Russell Building. How long do you think this will take?

Mr. WHITE. This is just a guess. We have no plans. We haven't done any more than think about it, Mr. Chairman. But on the basis of past experience in other instances of a similar nature, I would say we are talking about a 3- to 5-year period for some kind of construction alterations to take place in these two buildings. I base that on the fact that they are occupied, and, therefore, we have to proceed in a rather deliberate fashion to prevent interference as much as possible.

Senator MORGAN. In that period of time, do you think all the space in the proposed North Capitol Street Building could be utilized?

Mr. WHITE. It would be useful, yes, Mr. Chairman.

Senator MORGAN. So, counting the period from now until the Dirksen Extension is completed, and renovation of offices as a result, what is the anticipated need for this building, and for how long?

Mr. WHITE. About 8 years.

Senator MORGAN. What would happen after that? Do you have an opinion as to whether there would be a continued need for the building?

Mr. WHITE. Of course, Mr. Chairman, none of us knows what 8 years will bring. I would guess, however, that if the need didn't exist on the part of the Senate, it would surely exist on the part of the General Services Administration for space to be provided for others.

I believe it was intended, when this building was built, that it would be useful for one of the commissions that exists in the Executive Branch. Other arrangements have apparently been made for that purpose by the General Services Administration. But obviously there is a need for space for Government office buildings, and the building could be used for that purpose.

Senator MORGAN. Let me go back to another question. Since I have been in the Senate, the Dirksen Building auditorium intended for use by Senators and committees, has never been available. What has it been used for?

Mr. WHITE. That has been converted on two different occasions to office space, space for staff or special committees and investigative committees and so on.

Senator MORGAN. Is there any other space presently available in the Senate complex for such staff or select committee use?

Mr. WHITE. There is not, which is why that space was made available.

Senator MORGAN. Do you think the proposed building's location, considering the distance from the Capitol and Senate Office Buildings, might present problems? Senator McClure pointed out in his statement that it would be an 8-minute walk, or a third of a mile to the Capitol and half a mile to this committee room.

Mr. WHITE. I believe that does raise a question, Mr. Chairman. There obviously is that kind of an obstacle. It is not the same as having it right next door.

I think the kinds of activities that would need to take place there would be those which could take place at some distance farther away than this building is from the Capitol, for example. If a lot of traffic were to develop, it may be that we would have to provide some kind of transportation just as is being considered on the House side for occupants of what used to be the old FBI Identification Building. A small station wagon to carry people back and forth could be provided if that is needed. That is a problem that needs to be considered.

Senator MORGAN. As one who runs between 2 and 5 miles a day, that to me seems an asset. An 8-minute walk certainly doesn't seem to be unreasonable. But, for the record, let's make it clear. There are no obstructions between the Senate Office Buildings and the North Capitol Street Building?

Mr. WHITE. No, there are no obstructions. In fact, it faces Capitol grounds. It would be a walk across Capitol grounds to the existing buildings. And the Capitol grounds, as you know, are heavily patrolled. You mentioned some of the difficulties experienced by some of your employees.

Senator MORGAN. They are landscaped and right pretty. A walk through them might be pleasant.

Mr. WHITE. Yes.

Senator MORGAN. I understand that the owners have already had the building appraised, and that GSA has also made an appraisal at your request, or that of the Sergeant at Arms. Because of the expense and duplication involved, is it necessary to have it done again?

Mr. WHITE. I suppose one could utilize the present appraisal, if that were acceptable to the owner. The question always arises as to whether the buyer and the seller can agree on a price. And, generally, when they can't, a disinterested third appraisal is provided so that both sides would agree to abide by the decision of that appraiser. If the parties can agree, there is no need for another appraisal.

Senator MORGAN. I am talking now about your being satisfied, with regard to the appraisals, insofar as they relate to the fair market value.

Mr. WHITE. The appraisal that I saw that the GSA made is a very valid appraisal, in my opinion.

Senator MORGAN. And you have examined that appraisal in detail?

Mr. WHITE. Yes.

Senator MORGAN. We have been over it together, or parts of it.

Mr. WHITE. Yes, that is correct.

Senator MORGAN. So as far as you are concerned, with the appraisal we have, you feel that you could arrive at a fair market value? What I am saying is that you are satisfied?

Mr. WHITE. I am, Mr. Chairman.

Senator MORGAN. The GSA appraisal seems to coincide with the owner's, although he is asking \$31.5 million upon completion of all unfinished work. Theirs appears to be a highly professional evaluation.

There is an estimate that it will cost about \$3 million to complete unfinished work. It has been suggested we might consider purchasing the building as is for \$31.5 million, less \$3 million for completion, and have the Government finish it. What is your opinion with regard to this?

Mr. WHITE. I have thought about that problem, Mr. Chairman, and I believe the most expedient means of completing the building would be for the owner to complete it. I believe that because of his familiarity with the building and the subcontractors that worked in the building, it could be done much faster by the owner and probably at less cost than if we were to complete it.

On the other hand, I would have no objection to completing it, if that is what the judgment was. I believe that the \$3 million cost which GSA estimates would be required in order to complete it is high for the present owner. I believe that it could be done by him for less money. Much of the material is already in his possession and on the site, as I understand it. There may be, if we were to complete it, some need to arrange for returning the market value or the proper value of that material, if we were to take it and use it for completing the building.

I believe the best thing to do would be to arrange a completed price, if we were going to buy it, buy it at that completed price and to finalize the purchase at such time as it is completed and inspected in accordance with the agreement.

Senator MORGAN. I believe this \$3 million is GSA's estimate.

Mr. WHITE. That is correct.

Senator MORGAN. GSA has provided us a summary of their appraisal report, for the record. I would like to ask that it be included.

[The appraisal referred to follows:]

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION

Region 3

Washington, D.C. 20407



APR 8 1976

Honorable Robert Morgan
United States Senate
Washington, DC 20510

Dear Senator Morgan:

At the request of Mr. Frank N. Hoffman, Senate Sergeant at Arms, the General Services Administration (GSA) has been analyzing the various offers made by the 400 North Capitol Street Associates for the 400 North Capitol Street Building. This building is located in a fringe area of commercial development, roughly east of 7th Street, NW., in which GSA has been the major leasing force for the past several years.

The Federal Power Commission is housed at Union Center Plaza South and the Veterans Administration at Union Center Plaza North, both on North Capitol Street. The Energy Research and Development Administration is at 20 Massachusetts Avenue, the Labor Department and the United States Information Agency are at Sixth and D Streets, NW., and the Justice Department is at 425 Eye Street, NW. Most recently, space has been leased at 600 E Street for several agencies, including the General Accounting Office, the Department of Housing and Urban Development, the Selective Service System, and the United States International Trade Commission. The rental rates range from \$5.00 excluding utilities at Union Center Plaza South to \$7.07 fully serviced at 600 E Street. There is currently about 125,000 square feet available at 600 E Street and about 80,000 square feet at 6th & G Streets, NW., as well as the 483,000 square feet vacant at 400 North Capitol Street. In addition, the developer of Union Center Plaza has not preceeded with further plans to develop the complex because of a lack of demand either Government or non-Government. Several of these buildings stood empty for long periods after they were finished as the Government was the only prospective tenant (The 20 Massachusetts Avenue Building and 425 Eye Street Building both went to foreclosure and the 6th and D Street Building nearly did so).

It is our opinion that the private market for space in this area is very limited, and that there is sufficient space currently available or that could be constructed to keep rental rates offered to the Government under \$7.25 per square foot fully serviced, based upon GSA measurement through 1976.

The Four Hundred North Capitol Plaza, located on square 630, Lot 71 in the District of Columbia, is a new office building with eight stories above ground and four levels on parking below ground. The building occupies an almost square-shape corner site of 96,122 square feet (2.2 acres) situated two blocks north of the U.S. Capitol Building. The site has excellent frontage on two streets, being located on the southwest corner of North Capitol and E Streets, NW.

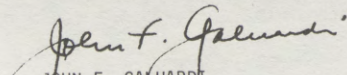
The subject improvement is a reinforced concrete structure covering 77,837.92 square feet or approximately eighty-one per cent of the total site. It contains a gross exterior area of 975,429 square feet, yielding 552,513 square feet of rentable office area and 17,651 square feet of potential first floor retail space (Washington Board of Realtors measurements), plus 281,765 square feet of parking area on the four lower levels which can accommodate 948 cars.

The building has an electro-hydronic perimeter heating and airconditioning system which can be individually controlled, fourteen (14) elevators, (ten (10) high speed passenger elevators, two (2) garage shuttles and two (2) service elevators), above average lobby and restroom finish, a rooftop terrace, and a commanding view on two sides of the U.S. Capitol and Union Station. Though the building is in a fringe area of the city, it is a prestige building in a relatively prestige location facing the Capitol Plaza.

The building is presently in an unfinished state, which provides an advantage as the space can be finished entirely to suit any future occupant's needs. At present only the parking garage is occupied, on a month-to-month basis, and the remainder of the building is totally vacant.

We have appraised the property for the purpose of estimating the following: the Fair Market Value, the Fair Market Value less tenant improvements, the Fair Annual Rental Fully Serviced, the net rental of the entire building completely finished and the net rental less tenant improvements. There follows our statement of assumptions and limiting conditions, 3 estimated evaluations, an estimate of expenses and tenant improvements, and a copy of the Certification of the Appraisal. I hope this information is helpful to the Senate of the United States.

Sincerely,


JOHN F. GALUARDI
Regional Administrator

Enclosures

Statement of Assumptions and Limiting Conditions

This appraisal is subject to the following limiting conditions and underlying assumptions.

- (1) Title is assumed to be marketable.
- (2) Market Value assumes competitive market conditions.
- (3) Legal description is assumed to be correct.
- (4) We assume no responsibility for legal matters, especially those affecting title to the property.
- (5) The property is appraised as if free and clear of all liens and encumbrances.
- (6) The appraiser has made no survey of property and assumes no responsibility for such matters.
- (7) Data estimates, plans and information furnished by other sources considered to be reliable.
- (8) The Fair Annual Rental Fully serviced estimated herein is a current rent with escalation included.

Value Correlation of the Three Appraisal ApproachesEstimated Value by Cost Approach

\$32,500,000

The land value was estimated as if vacant and available to put to its highest and best use. An extensive investigation of land sales in the immediate area of the subject property was conducted by the appraisers.

The reproduction cost of the subject improvement was estimated by consulting with the Marshall Valuation Service (MVS) for the calculation method of estimating basic construction costs.

Estimated Value by Income Approach

\$30,200,000

The computation of the Income Approach was formulated by using the future anticipated potential benefits of the subject property as a basis for its present worth. The incomes of comparable properties were evaluated and an adjusted net income for the subject property was estimated. This net income was capitalized at an overall rate which represented a composite of the loan interest rate and rate of investment return to arrive at a final estimate of value.

Estimated Value by Market Approach

\$31,000,000

The Market Approach was formulated by comparison of recent sales of properties considered to be comparable in type and class to the subject property. Using the subject property as a basis for comparison, the comparables were then adjusted for differences in location, date of sale, age and construction of the improvement and utilization of space.

ADDITIONAL EXPLANATION OF ESTIMATES

Fair Annual Rent less Metered Utilities:	
Gross Fair Annual Rental Fully Serviced	\$5,058,709
Less Metered Utilities: Electricity	\$635,390
Water, Sewer	11,000
	646,390
Fair Annual Rental less Metered Utilities	<u>\$4,412,319</u>
Absolute Net Rent:	
Gross Fair Annual Rental Fully Serviced	\$5,058,709
Less: Vacancy Factor of 2%	\$101,174
Expenses	2,046,792
	<u>2,147,966</u>
Absolute Net Rent of entire building completely finished	<u>2,910,743</u>
Absolute Net Rent less tenant improvements:	
Normal economic life is estimated to be 15 years. Interest rate is the same as first loan, 9 5/8% and loan is for 100%. The monthly factor at 9 5/8% for 15 years with return on both interest and recapture on investment is .01051781.	
Constant: 12 months x .01051781 =	.12621372
.12621372 x \$3,139,295 =	\$396,222
Absolute Net Rent of building completely finished	\$2,910,743
Less Amortized Cost of improvements	<u>396,222</u>
Absolute Net Rent of entire building less tenant improvements	<u>\$2,514,521</u>

GSA's ESTIMATED COST OF TENANT IMPROVEMENTS

Partitioning 1 to 10' = 47,000 x \$9.50 @	\$446,500
Doors 1 to 20' of partitioning 2,350 x \$150 @	352,500
Electric and Telephone	183,000
Exit Lights	4,800
Supervision 4 months at \$2,500 per month	10,000
Door Indicators 2,350 x \$3.00 @	7,050
Exhaust and Ventilation for Conference Rooms	
8 rooms at \$2,000 @	16,000
Heating, Ventilation and Air Conditioning	712,500
(connection to system)	<u>940,500</u>
Light Fixtures 570,000 at \$1.65	
Subtotal	\$2,672,850
Design (5%)	134,000
Job Overhead (6 1/2%)	182,445
Contractors Commission (5%)	<u>150,000</u>
Total Cost of Standard Level Improvements	\$3,139,295
Rounded to	<u>\$3,000,000</u>

Installation of vinyl tile was estimated to cost \$.55 per square foot (not included in above estimate).

Installation of static and soil resistant nylon carpeting (28 ounce weight per square yard and a 1.8 yard stitch) was estimated to cost between \$8.25 and \$9.00 per square yard. (This too is not included in the above estimate.)

Conclusion:

The range of estimated values was from \$30,200,000 (Income Approach) to \$32,500,000 (Cost Approach). After a review of all relevant data, and upon giving equal consideration to each of the three approaches, it was determined by the appraisers that the Fair Market Value for the entire property is:

Thirty One Million Five Hundred Thousand Dollars (\$31,500,000).

At the present time, the subject is unfinished. Provision of the Government's standard level tenant improvements is estimated to cost \$3,000,000 (see Estimate of Tenant Improvements). Therefore, the Fair Market Value for the entire property without tenant improvements is \$31,500,000 less \$3,000,000 resulting in a Fair Market Value of:

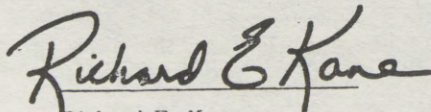
Twenty Eight Million Five Hundred Thousand Dollars (\$28,500,000).

CERTIFICATION

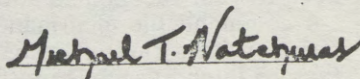
We hereby certify that:

- (1) We have personally inspected and appraised the subject property described herein.
- (2) To the best of our knowledge, the statements and opinions contained in this report are true and correct, and no important facts have been withheld or overlooked.
- (3) We have no undisclosed interest, present or contemplated in this property.
- (4) This appraisal has been made in accordance with GSA Handbook, "Appraisal of Real Property", PMD P 1005.1, dated July 19, 1968.
- (5) Based on the information contained in this report, but not limited thereto, our estimates of value as of January 22, 1976 are as follows:

Fair Market Value of entire property	\$31,500,000
Fair Market Value of entire property less tenant improvements	\$28,500,000
Gross Fair Annual Rental of entire building, fully serviced, for a term of five years	\$5,058,709
Fair Annual Rental of entire building less metered utilities for a period of five years	\$4,412,319
Absolute Net Rent of entire building completely finished	\$2,910,743
Absolute Net Rent of entire building less tenant improvements	\$2,514,521



Richard E. Kane
Staff Appraiser, PBS (3MZ)



Michael T. Natchuras
Realty Specialist, PBS (3MR)

Senator MORGAN. Can you speak to the validity of this appraisal?

Mr. WHITE. No, I cannot.

Senator MORGAN. The proposed bill of sale is to state that conveyance will be free of all liens and encumbrances. From a very sketchy preliminary study that Mr. Purinton and I have made, it appears there might be some encroachment. Of course, if the Senate should decide to purchase the property, your office would assure that we had proper title, protecting the Senate in all matters?

Mr. WHITE. Yes, we would, Mr. Chairman. We normally utilize the Land Division, Department of Justice, for closing real estate purchases of this nature. And, obviously, we don't buy it without having clear title, without liens or encumbrances of any kind.

Senator MORGAN. If the Senate should decide to buy the building, how long would it be before we could move in?

Mr. WHITE. If we can get a relatively rapid judgment with regard to the layout of partitions, we would provide the owner with such a layout probably within 60 or 90 days, and then it would probably take him another 60 days or so, perhaps 90, to complete the work and less than that for partial occupancy. But for full completion we should probably anticipate about 180 days.

Senator MORGAN. I believe that 950 or so parking spaces would be available immediately?

Mr. WHITE. They would be available, of course, immediately, Mr. Chairman.

Senator MORGAN. Mr. White, Senator Baker has come in, and I understand he will have to leave soon. So let me interrupt and yield to the Senator for any questions or statements he may have.

Senator BAKER. Thank you very much, Mr. Chairman. I thank you for the opportunity to be here this morning. While I am not a member of the subcommittee as such, I have been interested with respect to obtaining adequate housing for offices of the Senate and its staff.

I share with the chairman the thought that our priority here should be development of a record on which the subcommittee or the committee and the Congress can make a judgment.

I have no specific questions, Mr. White. But I assure you that we will make a careful appraisal of the situation and give special heed to your recommendations in this respect.

I commend the chairman of the subcommittee and the other members for their careful analysis of the situation. And I will assure you that we intend to move on this matter as fast as possible.

Senator MORGAN. Thank you, Senator, for coming.

Let me run through our remaining questions.

You talked earlier about Square 724, and plans for an underground parking garage. Of course it has not yet been authorized, and this the Senate would have to do. But, in the meantime, if we do decide to purchase this building and get employees out of the Square 724 structures, would it be possible then to demolish these and at least have a park area there?

Mr. WHITE. Yes, of course, it would be possible. As a matter of fact, that would be our plan if the committee agrees. We are always uneasy when we occupy residential buildings on this basis. We have had the same situation on the House side, as I think you may know. And it is a situation that we do only as an expedient.

If other space were available to which staff could be moved, we would certainly recommend the demolition of those buildings in preparation either for future construction or to create a park-like setting.

Senator MORGAN. Well, I exercise the prerogative of the Chair in saying those buildings now on Square 724 are a disgrace to Capitol Hill. Some of my constituents, looking out of my office window, have observed the same thing.

There is no question in my mind that the appearance of Government buildings makes a lasting impression and indicates the degree of respect which people in this country have for their Government. That is why literally millions of visitors are tramping to Washington this year.

I hope that, as we continue to develop and improve the Capitol grounds, we will not construct just boxes but rather build monuments that not only can be utilized, but which the people of this country can look to with pride and say, "This represents my Government."

Now, about this proposed new underground parking garage. Does this mean you are going to come immediately to the Congress and ask for \$25 million to build it, or is this only in the long-range plan?

Mr. WHITE. That is in the long-range planning, Mr. Chairman. My only reason for bringing it up is that if cost is looked upon as a primary consideration, it is a way of reducing the total spent over a period of years. If the construction were to take place immediately, it would, of course, on the presumption of increased price escalation, cost less to do now than it would in the future.

Senator MORGAN. I think it is something we should pursue, but I see no necessity to tie the two together.

Mr. WHITE. That is correct. There is no necessity to tie the two together at all.

Senator MORGAN. You referred to the estimated cost as about \$25 million.

Mr. WHITE. Yes. And that is based, of course, on some very rough sketches and an 1,800-car below-grade garage with some surface facilities to provide amenities such as a restaurant, bank, and drug store and things of that nature that might be made available.

Senator MORGAN. If purchase of the North Capitol Street building were authorized, where would the money come from?

Mr. WHITE. The money would have to be appropriated through the normal channels of the Appropriations Committee.

Senator MORGAN. I believe that the Appropriations Committee has already authorized it, has it not?

Mr. WHITE. No, I don't believe so, Mr. Chairman, not to my knowledge.

Senator MORGAN. You and I have discussed S. 865, a new bill introduced by Senator Buckley and myself that passed the Senate. If the Senate should purchase this building, would it be possible to consider utilizing the first floor for public cafeterias and shops, so that visitors who come here might have a good place to eat at reasonable cost, which is accessible to them, so they don't have to go to an expensive hotel or restaurant for lunch?

Mr. WHITE. It is possible, of course, Mr. Chairman. There are a number of considerations that I am sure the committee would want to look into before making that judgment.

Senator MORGAN. I assume when the building was constructed, it was designed with some notion of a cafeteria in mind, was it not?

Mr. WHITE. Yes, it is possible, of course, to place kitchen facilities and a cafeteria in the building. Whether or not it would be on the first floor is another question. But it is certainly possible.

Senator MORGAN. Mr. White, Senator McClure has submitted several questions and asked that you prepare written answers for the record. Most of them we may have discussed, generally, but so they will be in logical sequence, please provide these answers if you will.

Mr. WHITE. I will be glad to, Mr. Chairman. (See below.)

Senator MORGAN. There has been some talk about a need for a tunnel from the new building to the parking facility near the Russell Building. Do you have a cost estimate on that?

Mr. WHITE. I do not, Mr. Chairman, but it would be a tunnel over 500 feet long, and I believe it would be quite expensive. I believe that that is something that, while it could be done, would be undesirable to consider at this time unless a situation were to develop where it became a real need.

Senator MORGAN. What about landscaping?

Mr. WHITE. I believe that landscaping is provided for in the finishing of the building. The building is, of course, close to the side where there isn't a lot of landscaping involved so that is a minor item.

Senator MORGAN. I think we have pursued this line of questioning for so long that we have gotten rid of all my colleagues. Gentlemen, there is a vote on, and I am not quite sure who is coming back. But please give me about 10 minutes to vote and I will come right back.

[Brief recess.]

Senator MORGAN. Mr. White, as far as I know, we have documented all necessary information that we will need from you. I understand, of course, that you have a complete file on this building. If any Member of the Senate has questions not covered by this record, I assume you will be available to discuss it?

Mr. WHITE. Yes, of course, Mr. Chairman. I will be glad to.

Senator MORGAN. Thank you very much for coming over.

[Responses to Senator McClure's questions follow:]

SENATOR MCCLURE'S QUESTIONS FOR MR. WHITE

Question. What is the estimated cost of placing 400 North Capitol Street in shape for use by the Senate?

Answer. Three million dollars.

Question. Are there any plans to build a tunnel and/or a subway between 400 North Capitol and the Russell Building or the Senate? What would be the cost of such a tunnel and/or subway?

Answer. There are no such plans although a suggestion of that nature was made during discussion of the merits of acquiring the 400 North Capitol Street property. Based on an updated actual cost of the Rayburn tunnel and subway, a similar structure between 400 North Capitol Street and the Senate Garage would cost approximately \$15 million.

Question. What use would the building have once the Dirksen Extension was opened?

Answer. The building would be useful as a relocation site for occupants of the Russell and Dirksen Buildings during planned alterations to those buildings. If no further

need by the Senate were to be manifested after that construction, it could be transferred to the General Services Administration.

Question. What would be the procedure if the Senate decided to condemn the building?

Answer. Any legislation authorizing the purchase and appropriating funds should, of course, provide for possible condemnation. Procedurally, under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 the Congress established certain policies to guide Federal land acquisition practices, including those of the Architect of the Capitol for acquisition of real property for the Congress or either one of its two Houses. The overriding directive of the Act with respect to land acquisition is the prohibition to exercise the Federal Government's power of eminent domain unless and until bona fide attempts to acquire real property for use of the Government by negotiation and without coercion to compel an agreement on the price of such real property, have proven fruitless.

For this purpose the Act provides that (1) every reasonable effort be made to acquire such real property by negotiation; (2) the real property be appraised before initiation of negotiations and that the property owner or his representative be given an opportunity to accompany the appraiser during inspection of the property (it is general practice for the Government to obtain appraisals on real property from two appraisers and the Architect of the Capitol has always followed this practice); (3) that the Agency head, after receipt of the appraisal or appraisals, shall establish an amount believed to be just compensation for the realty and make a prompt offer to acquire the property for the full amount thus established. In no event, the Act provides, shall the amount of the offer be less than the Agency's approved appraisal of the fair market value of such property.

Thus, the Architect of the Capitol may institute formal condemnation proceedings pursuant to authorizing legislation and appropriation of the necessary funds only after all reasonable efforts to acquire real property for use by the Federal Government have been exhausted. If the Senate should decide that the property should be acquired exclusively by condemnation, i.e., without first attempting to acquire it by negotiation, it would be necessary that legislation authorizing the acquisition of 400 North Capitol Street mandate that such acquisition be by condemnation, notwithstanding the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The prevailing circumstances do not appear to make such an exception necessary or perhaps even desirable. Legislation which would authorize the Architect to acquire the property on behalf of the United States, for purposes of the United States Senate, by purchase, condemnation or otherwise, would render such acquisition subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

Question. What cafeteria facilities does the 400 North Capitol building have?

Answer. None at the present time.

Question. Approximately how many Senate employees could be housed at 400 North Capitol?

Answer. Between 2,000 and 3,000. Some support facilities would, of course, also be housed at that location.

Question. What is your estimate of the time it would take to walk from a typical office at 400 North Capitol, let's say on the 6th floor, ride the elevator to the street level, walk to this building, ride the elevator to this floor, and walk to this room?

Answer. Between 7 and 10 minutes.

Question. Assuming that we buy 400 North Capitol, and assuming that we construct an underground garage in Square 724, what is your estimate of the total capital expenditures that will have been made on the Senate side since you took office?

Answer. Approximately \$146 million composed of the following items (in rounded numbers):

Acquisition of Square 724	\$4,500,000.00
Extension to Dirksen Building	85,000,000.00
Proposed underground garage (Square 724)	25,000,000.00
Acquisition of 400 North Capitol Street	31,500,000.00
Total	146,000,000.00

Question. What is the GSA appraisal and what does it cover?

Answer. The GSA appraisal of 400 North Capitol Street amounts to \$31,500,000 for the completed building and \$28,500,000 for the building in its present state. The appraisal represents the fair market value of the entire property, including land.

For the record, our next witness is Mr. Nordy Hoffmann, Sergeant at Arms of the U.S. Senate.

Mr. Hoffmann, do you have a prepared statement?

STATEMENT OF F. NORDY HOFFMANN, SERGEANT AT ARMS, U.S. CAPITOL

Mr. HOFFMANN. I appreciate the opportunity to appear this morning in reference to the proposal before the subcommittee for the U.S. Senate to acquire the property known as 400 North Capitol Street.

At the outset I should state that my role in the negotiations to date directly stems from the provisions of Public Law 94-157 enacted in December of last year which authorized the Senate Sergeant at Arms to negotiate and enter into a lease for this property, subject to the approval of the Committees on Rules and Administration, and Appropriations, and subsequently by resolution of the full Senate.

Upon assuming the position of Sergeant at Arms in January of this year, I immediately initiated discussions with the owners of the property to explore the terms of a mutually satisfactory lease of the building. Inasmuch as this proposal involves a considerable sum of money plus the jurisdictional interests of several committees of the Senate, I felt it appropriate and advisable to request the attendance of other interested parties representing the Senate at the negotiating meetings to assure that any proposal laid forth would be carefully scrutinized. In that regard I wish to express my appreciation to the Architect of the Capitol, George White and members of his staff; Harry Littell, Legislative Counsel of the Senate; Warren Kane of the Committee on Appropriations; Bill Cochrane of the Committee on Rules and Administration; Bill Ridgely, Financial Clerk of the Senate; plus several others including representatives of the General Services Administration and the General Accounting Office for their excellent cooperation and assistance in evaluating the provisions set forth from their individual and collective perspectives.

Briefly summing up the lease negotiations that transpired earlier this year, on January 7, 1976, a first meeting was held at which the proposal to lease 400 North Capitol Street was formally submitted by the owners for my consideration. This initial meeting was followed a few days later by an inspection tour of the building, at which time the overall accommodations and condition of the building were examined.

This initial exchange was followed by discussions in my office involving the other persons representing the interests of the Senate previously mentioned, and from these discussions and a careful review of the terms of the lease I concluded it would be appropriate to submit a counterproposal with terms more favorable to the Senate. This counterproposal was prepared and submitted to 400 North Capitol Associates on March 12, 1976. Although I have available with me the detailed provisions of the original lease offer and our counterproposal, inasmuch as the owners of the property concluded that after some further discussion that the two parties could not arrive at a mutually satisfactory lease arrangement, I believe it would be of little benefit to take additional time to discuss these details at this point.

However, I would like to say that the total record that we have kept is available to the committee at any time you want it.

On March 17, I was notified by 400 North Capitol Associates of their decision to suspend further discussion of a lease arrangement and to instead submit an offer to sell the building outright to the Senate. The owners have recommended that the building be purchased by the Senate for a price within a range of \$31.5 million to \$35 million, with the specific figure to be determined by appraisal.

Since the authorizing legislation provided for the lease rather than the purchase of this building, we are unable to proceed on this proposal until such additional authorization is granted.

Mr. Chairman, the feasibility of purchasing 400 North Capitol Street hinges upon several factors, including the price of the building and its relationship to the short- and long-term space requirements of the Senate. By virtue of the responsibilities of my office, I do not feel that I am the best source of information concerning square footage requirements of Senate offices, and rather leave such technical evaluations to the Architect of the Capitol who is responsible for the buildings and structures within the Senate complex and to the Committee on Rules and Administration which has the responsibility for the assignment of office space. However, I wish to point out that after careful examination of the options available to the Senate I concluded—independently of George White—that it would be economically advantageous to buy rather than lease the building. Assuming an annual rental rate of \$2 or \$3 million, plus the requirement of paying the property tax on this building of \$600,000 per year if the building were privately owned, over a period of 8 to 10 years we would wind up paying the equivalent of the purchase price of the building.

If permitted the opportunity of making some general observations, I cannot help but feel the Senate is badly overcrowded in terms of available working space. I had the occasion, for example, to visit the automatic typewriting pools in place on the second and third floors of the Immigration Building recently, and was surprised and even shocked to see the crowded and noisy working conditions under which these staff people must operate.

I have had some personal experience in the past with coke ovens in the steel mill, and I would prefer working in a coke oven than in either that second or third floor.

In fact, I believe those who do work there deserve special recognition for their sheer dedication and stamina, because I am not sure I could bring myself to work in the morning under such conditions.

The same situation exists within the main office suites of the Senators where desks are literally stacked side by side and almost on top of one another, and where facilities are badly overtaxed by every measure.

The Office of the Sergeant at Arms is no less a victim of such circumstances, and I am having great difficulty securing adequate space for major operations such as the Service Department and the Computer Center whose work loads are growing heavier with each passing month. In fact, at the 1977 Legislative Appropriations hearings earlier this week, I submitted my budget recommendations including a request for 50 new positions and a second central computer processor for the Senate Computer Center which will literally double the space requirements of that department if we are to handle the assignments and programs we have been given.

Incidentally, Senator, when the question was asked by Senator Hollings if we could put the additional computer equipment in the space we have now, my answer was no, we cannot. And the Senate is going to suffer if we are not able to accommodate this additional support equipment.

The new addition to the Dirksen Building will provide some additional space for the operations of the Sergeant at Arms, but this space will not become available for at least 3 or perhaps 4 years. In addition, upon completion of the Dirksen addition, additional years will be required to revamp and modernize existing office space in the Russell and Dirksen Buildings. Obviously such a time lapse means that the addition and renovation are of no help whatsoever in meeting needs which are current and immediate.

Having personally inspected the facilities at 400 North Capitol Street, I share the view that this building is well constructed and ideally situated in relationship to its proximity to the other Senate Office Buildings. Acquisition of this building would make immediately available badly needed space by which the Senate Computer Center could not only expand but also consolidate its operations, thereby providing more efficient use of equipment and manpower.

I would also anticipate the moving of the headquarters of the Capitol Police to this building from their present location in the decrepit Plaza Hotel Building. It might be of some interest of the subcommittee to know that the luxury facilities offered by the Plaza Hotel include an elevator which is called to the floor you happen to be on by literally kicking on the steel door to get the attention of the operator.

Acquisition of 400 North Capitol Street would not only be immediately beneficial to the Sergeant at Arms, it would provide desperately needed space for the Senators, the Committees, and the legislative agencies housed within our present facilities.

There are others more qualified than I to speak of square footage formulas and building specifications, and I defer on such matters to the judgment of the Architect of the Capitol, the General Services Administration, and the like. But having reviewed this matter carefully and having weighed the needs of the Senate as I understand them, I believe it would be a wise course of action to consider carefully the purchase of this building, provided that a mutually agreeable and reasonable contract can be negotiated. I would urge in keeping with past practice that the Senate be represented in such a transaction by the Architect of the Capitol, who would be ultimately responsible for the installation of such furnishings and equipment essential to complete the building for Senate use.

Mr. Chairman, rather than restate here those details which are covered in the testimony of others and documented in the considerable amount of correspondence which has taken place on this subject, I will conclude my statement at this time by thanking the members of the Senate and particularly those serving on this subcommittee for your constructive support and interest in the efforts we have undertaken in the Senate's behalf. I shall be pleased to furnish any additional information that might be helpful or to assist further in any manner you deem appropriate.

Senator MORGAN. Thank you, Mr. Hoffman. You have already answered many of the questions which we had, but let me ask you two or three anyway.

You mentioned moving the Capitol Police from the old Plaza Hotel to the 400 North Capitol Street Building. Would this bring about any inconvenience, to relocate them a third of a mile away?

Mr. HOFFMANN. No, sir.

Senator MORGAN. How many would be involved?

Mr. HOFFMANN. Well, the entire complex that is in the Plaza Building right now. I think, Senator, you are very familiar with the operation we have there including the bomb squad. It is almost impossible to have the security that we really want and need on the Hill and have the police housed in that kind of facility. It is just unbelievable that we have to do it.

Senator MORGAN. Do you now have adequate communications facilities in the old Plaza Hotel?

Mr. HOFFMANN. Not adequate, no, sir.

Senator MORGAN. You would need them installed in the new building, I think, but is there adequate space?

Mr. HOFFMANN. Yes, sir.

Senator MORGAN. I believe there is no on-street parking available in that area. Would any be necessary?

Mr. HOFFMANN. It might, Senator.

Senator MORGAN. Mr. Hoffmann, I take it you feel that additional space is badly needed by the Senate and its operations.

Mr. HOFFMANN. No question about it. Senator, I would just like to provide you with one figure which Warren Kane has been good enough to give me. The Senate payroll as of March 31, 1975, was 5,418 people. The Senate payroll as of March 31, 1976 is 6,061 people, or an increase of 643 people in just that one area on the Hill.

Senator MORGAN. I think we ought to document in the record, Mr. Hoffmann, that this increase in space is not attributable to any desire of the Senate or staff to build dynasties.

Mr. HOFFMANN. No.

Senator MORGAN. But it is in response to the increasing demand of the public to have input into their legislative processes. Also, it is a result of increased demands on the Congress to meet growing needs of an ever-increasing population, and more responsible exercising of Senate oversight responsibilities then we have been doing in this past year and a half.

It is a funny situation. In many areas people seem to equate bigness in size with quality. But it seems that in matters of the Congress, they equate bigness with extravagance. I certainly don't see it that way.

There are several Senators who have private committee or staff offices in the Capitol Building, which are easily accessible to the floor, and the Senate is now in session practically all day every day. If some of these Senate staff or committee operations were transferred to the North Capitol Street building, would it not make space available for more Senators, so that they also could have private offices near the Senate Chamber?

Mr. HOFFMANN. There is a possibility, but I haven't really gone into that, Senator.

Senator MORGAN. I expect you are like I am, and don't even know where they all are.

Mr. HOFFMANN. No; I know where they all are, but sometimes I don't know what else is over there, having only been here since January 1st. There are some parts of the complex that I have not been in yet. I will get there.

Senator MORGAN. Nurdy, thank you very much. You have done a very good job in negotiating for this building. We have now been in conference several times, and you have made such a tremendous presentation that I don't feel any other questions are necessary. Should there be any, we will submit them to you in writing for response.

Mr. HOFFMANN. I am available, Senator.

Senator MORGAN. Thank you very much.

Mr. Behrman, I understand you have a statement. How are you this morning?

STATEMENT OF MYRON M. BEHRMAN, CO-OWNER, 400 NORTH CAPITOL STREET, INC., ACCOMPANIED BY GLEN BALLOWE, CO-OWNER, 400 NORTH CAPITOL STREET, INC.; AND VLASTIMIL KOUBEK, ARCHITECT

Mr. BEHRMAN. Would it be better, Mr. Chairman, if I didn't read the statement? You all have copies of it. It might save time.

Senator MORGAN. I would rather it be submitted for the record. Is there anything, in addition, that you would like to say?

Mr. BEHRMAN. No, that is it.

Senator MORGAN. We will include it as a part of the record then, Mr. Behrman, if that is all right with you.

[The statement follows:]

I thank the Subcommittee for the privilege you have extended to me to appear this morning as a witness.

I understand that our proposal to sell our Building to the Senate is being examined by this Subcommittee as to:

1. the terms of our offer;
2. the suitability of the Building; and
3. the Building's relationship to the long-term space requirements of the Senate.

I have no difficulty whatsoever in addressing myself to the first two points. However, as to the third, I do not feel that I am as well qualified since, obviously, I am not privy to the Senate's needs and, therefore, I will touch only briefly on that point.

AS TO OUR OFFER

(A) Background leading up to the offer.

On July 29, 1975, we offered to lease (with an option to purchase) or sell the Building to the Senate. Thereafter, on December 10, 1975, it became evident that the approach that had been taken by the Appropriations Committee was to lease the Building with an option to purchase.

Thereafter, despite lengthy meetings, telephone conversations and correspondence with the Senate Staff, it became quite evident that our differences were so marked and basic that we would not be able to agree upon a mutually acceptable Lease Agreement. However, during the meetings, frequent

statements were made by the Staff that the Senate would be best off if it were to purchase the Building. Accordingly, my partner, Glen Ballowe and I met with the Sergeant-At-Arms and suggested that we discontinue our lease discussions and instead that we offer to sell the Building to the Senate.

(B) Our Offer to Sell.

Attached hereto is a copy of our offer of March 17, 1976. (Exhibit #1). Summed up very briefly, it calls for an appraisal by three independent and qualified real estate appraisers, with a minimum sales price of \$31,500,000 and a maximum of \$35,000,000, with an agreement on our part to do certain Tenant Work.

We respectfully submit that even if the Appraisal should reach \$35,000,000, our offer is still outstandingly good as far as the Senate and the U.S. Government is concerned.

Construction was started by us almost 3 years ago, i.e., June 5, 1973; however, most of the subcontracts were let out by our General Contractor six months before, thereby assuring us of lower prices and avoiding the tremendous increases that took effect in the latter part of 1973 and early 1974. Assuming that we could purchase our land of some 96,122 square feet for the same price as we paid in 1971-2 (a most unlikely possibility bearing in mind such changes as the Metro, the National Visitors' Center and the nearby Regency Hyatt 900-room Hotel) we could not today reproduce our Building, including the Tenant Work we have agreed to do, for less than \$40,155,577.

Attached hereto as Exhibit #2 are the findings and opinion of Vlastimil Koubek, AIA, showing what our cost would be today to reproduce the Building itself, i.e., together with the Tenant Work we have agreed to do and the land at our original acquisition cost.

Mr. Koubek, who was our Architect on this project, is recognized as one of the District's outstanding Architects and as such is well qualified to estimate present day construction costs. I have asked Mr. Koubek to be present this morning so that if desired by this Subcommittee, he will be available for questioning.

From this Exhibit #2, it is readily apparent that even if the Appraisal reaches the ceiling of \$35,000,000, the Senate will really be securing a "bargain" from a brick, mortar and land standpoint.

At this time, I would also like to point out some of the obvious advantages of ownership as compared with leasing:

- (1) As Owner, the Senate will have complete control of building operations, grounds; and, more importantly, security.

- (2) As Owner, the Senate may make unlimited building changes and/or modifications without first having to obtain the authorization or permission of a landlord or mortgage lender as it would have to do if it were a Tenant.

(3) As Owner, special improvements made to the building interior will become the property of the Senate whereas improvements made by a Tenant would become the property of the Owner and would add to the building's value in the event of subsequent appraisal.

(4) The Owners are willing to set a maximum sale price at this time whereas a lease with an option to purchase will provide for a purchase price based upon an appraisal in the future without a maximum price and which price will most certainly reflect inflationary increases.

(5) The Senate should own as much property as possible on the immediate periphery of the Capitol Grounds.

(6) The financial advantages to the Senate are numerous. Just two examples:

(a) We would have to pay approximately 10.30% per annum for our mortgage debt service and, in turn, that would of necessity be reflected in any rental that would be required. Obviously, the U.S. Government would not have a money cost anywhere near like this. Computed on the \$31,500,000 minimum, the saving would be substantial.

(b) It is estimated that real estate taxes will run about \$600,000. per annum.

As a tenant, the Senate would be obliged to pay these taxes. With the U.S. Government as the owner, the property would not be taxable. This saving alone amounts to approximately 2% per annum of the \$31,500,000 minimum cost.

AS TO THE SUITABILITY OF THE BUILDING

(A) Quality of Construction.

Our Building has been inspected, from top to bottom, by the Architect of the Capitol and his staff, the General Accounting Office, numerous representatives of the Senate, and also technical advisors and inspectors in all phases of building construction. Without exception, it has been found to be an "unusually good building." Exhibits #3, #4 and #5 show the exterior of the building. Exhibit #6 is a Description of Building Features as prepared by Mr. Koubek.

I believe it is important for me to point out that our Building far exceeds GSA building standards. However, our Building with all its quality, is most suitable and fitting for use by the Senate.

(B) Garage.

Our Building contains a 948 space garage, of which 828 spaces can be used by so-called self-parkers. If the remaining 120 spaces are carefully assigned to persons who stay in the Building all day, only one or two attendants will be required to help take care of these spaces.

With Senate employees having to go all the way to the Kennedy Memorial Stadium to park their cars, need any more be said about our garage?

(C) Adaptability of the Building.

(1) The Building has been so designed that it may be "divided" into and operated as two separate buildings. (See Exhibit #6, Section "3", "Arrangement of Floors and Building Module"). This will generally be of great help if the Senate should decide to sub-lease part of the space.

(2) If the Senate should desire to have retail facilities in the Building, the ground floor, which contains 17,651 square feet, can be used for that purpose. Rental rates should average \$12.50 a square foot, producing an annual rental of \$220.637.

(3) A certain amount of space in the first lower level rental space of the Building readily lends itself for use as a cafeteria. (See Exhibit #6, Section "3").

(D) Location of the Building.

Being at the very foot of Capitol Hill, our Building enjoys an excellent, if not unique location, particularly as respects use as a Senate Office Building Annex.

We respectfully refer the Subcommittee to Exhibits #7 and #8 which graphically show the proximity of our Building to the Senate Office Buildings. As a matter of fact, we are so close that a portion of our sidewalk is actually a part of the Capitol Grounds.

It will also be interesting to note on Exhibit #9 that we are the only large privately owned property on the periphery of the Capitol Grounds and, as such, should logically be owned by the U.S. Government.

AS TO THE LONG-TERM SPACE REQUIREMENTS OF THE SENATE

I have no first-hand knowledge of the space requirements of the Senate. However, I do want to make the following comments. If all the space in the Building is not now required by the Senate, there will be no difficulty in sub-leasing some of the space to the House (which, according to all press reports, is in great need of space) or to the GSA for use by the SEC or any number of other agencies.

On the other hand, if in a matter of 4 - 5 years, the Senate should find that it no longer has any need for our Building, it would possess real estate worth considerably more than the Senate's cost of acquisition. Many things could be done with the Building. If the House or GSA did not want to take it over (a highly unlikely prospect) then, in my opinion, this property would be readily saleable in the open market.

My partner, Glen Gallowe, and I are now prepared to answer any questions that this Subcommittee may care to ask.

EXHIBIT 1

400 NORTH CAPITOL ASSOCIATES

A Joint Venture

March 17, 1976

Mr. F. Nordy Hoffman
Sergeant at Arms
United States Senate
Washington, D. C.

Re: 400 North Capitol Street

Dear Mr. Hoffman:

We want to thank you for the great amount of time that you and your colleagues have spent with us in the last few days trying to work out a lease deal for our property.

Every facet of the proposed deal has been reviewed and it must now be apparent to everyone that we cannot possibly agree on a mutually acceptable lease. Even if we could agree on the terms of such a lease (which, of necessity, would involve substantial concessions on all sides), it would be so involved and intricate that we believe you would have trouble convincing even the respective Committee Chairmen, let alone the entire Senate, as to the merits thereof insofar as the Senate is concerned. Under the circumstances, we have regretfully concluded that it will prove a waste of time for all concerned to continue with our efforts to work out an acceptable lease.

However, believing as we do that the Senate is truly desirous of taking over the Building, we now wish to submit a proposal that we hope will cut the Gordian knot, as it should be most attractive to the Senate including even those Senators who objected on the Floor to the deal as originally proposed.

After all, we feel sure that everyone (including George White) will agree with us that the government could not possibly reproduce this entire property (including partitioning) except at a most substantially increased cost over the maximum amount set forth in our proposal.

Our proposal is as follows:

1. that we agree to sell and the Senate agrees to purchase the property, free and clear of all liens and encumbrances, at the appraised value (determined in the manner set forth in the next subparagraph 2.) However, the sales price, regardless of the appraised value, shall not be less than \$31,500,000 nor more than

Mr. F. Nurdy Hoffman
 March 17, 1976
 Page Two

\$35,000,000 as against said ultimate price. The Senate shall receive a credit from us of \$200,000.00 in lieu of our laying asphalt tile flooring throughout the Building. The District of Columbia recordation tax, if any in this instance, is to be shared equally between us and the Senate;

2. that immediate steps be taken to have the land and Building appraised at fair market value by three independent and qualified real estate appraisers, one to be chosen by each of us and the two so chosen to pick a third with the fee of the latter to be shared equally by us; and
3. that a reasonable sum, in an amount to be agreed upon between us, shall be held in escrow pending completion by us, at our own cost and expense (but with no credit to the Senate for unused portions) of (a) acoustical tile ceilings and lighting fixtures; (b) 48,300 linear feet of partitioning; (c) 9,660 floor and wall duplex electrical outlets; and (d) 4,830 telephone outlets (items b, c and d to be of the type and quality specified in the so-called General Building Requirements and Specifications which are a part of Schedule B which is attached to the counter-proposal lease). In this connection, it must be agreed that all necessary tenant layout working drawings must be furnished to us by George White, Architect of the Capitol, within sixty (60) days after the agreement of sale and purchase herein referred to has been entered into.

We are relying upon your assurance that you will immediately discuss our proposal with the Chairmen of the respective Committees involved and will then inform us of the outcome of your discussions so that we can all be governed accordingly as to our future steps.

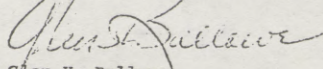
Unfortunately, so much time (almost eight months) has elapsed since we first offered our property to the Senate that we have now reached a point where we must give most serious and immediate consideration as to whether we should rent the Building to multi-users in the private sector. As a matter of fact, we have every reason to believe that several offers for substantial portions of the Building are now in the process of being prepared for submission to us in the next few days. It is for that reason that we are looking to you for

Mr. F. Nurdy Hoffman
March 17, 1976
Page Three

early word as to the Senate's reaction to our proposal.

Sincerely,

400 NORTH CAPITOL ASSOCIATES


Glen H. Ballowe

GHB:dh

EXHIBIT 2

VLASTIMIL KOUBEK · AIA · ARCHITECT
 1200 17TH STREET, N.W., WASHINGTON, D. C. 20036 202-296-7444

April 8, 1976

Subcommittee on Buildings and Grounds
 United States Senate
 Washington, D. C. 20510

Re: 400 North Capitol Street
 Washington, D. C.

Gentlemen:

I have been requested by 400 North Capitol Associates, owner of an office building project recently completed at 400 North Capitol Street, Washington, D. C., to submit herewith my findings and opinion relative to the reproduction cost of said building if it were to be constructed with construction starting in Spring, 1976.

My office has had extensive experience with the design and the coordination of construction of scores of office buildings, totaling to date upward of eighteen million square feet and ranging from investment-type office buildings to association headquarters buildings to bank buildings to insurance company corporate headquarters buildings, etc.

Based upon the exact plans and specifications, including standard tenant work, upon which 400 North Capitol Street has been developed, and in consultation with experienced real estate developers and general contractors, my findings are as follows:

- I 975,429 gross square feet (representing total area of mechanical penthouse, base office building and parking garage areas, and including building standard tenant work to be constructed for the United States Senate).....\$34,240,952

The foregoing includes all aspects of construction, including material and labor, contractors' fees, professional fees, and general, usual development costs.

Subcommittee on Buildings and Grounds
 April 9, 1976
 Page Two

II The land, comprising 96,122 square
 feet, at the original acquisition
 cost.....\$ 5,914,625

III Grand Total of I and II above.....\$40,155,577

Respectfully submitted,

Vlastimil Koubek

VK/dk

EXHIBIT 3

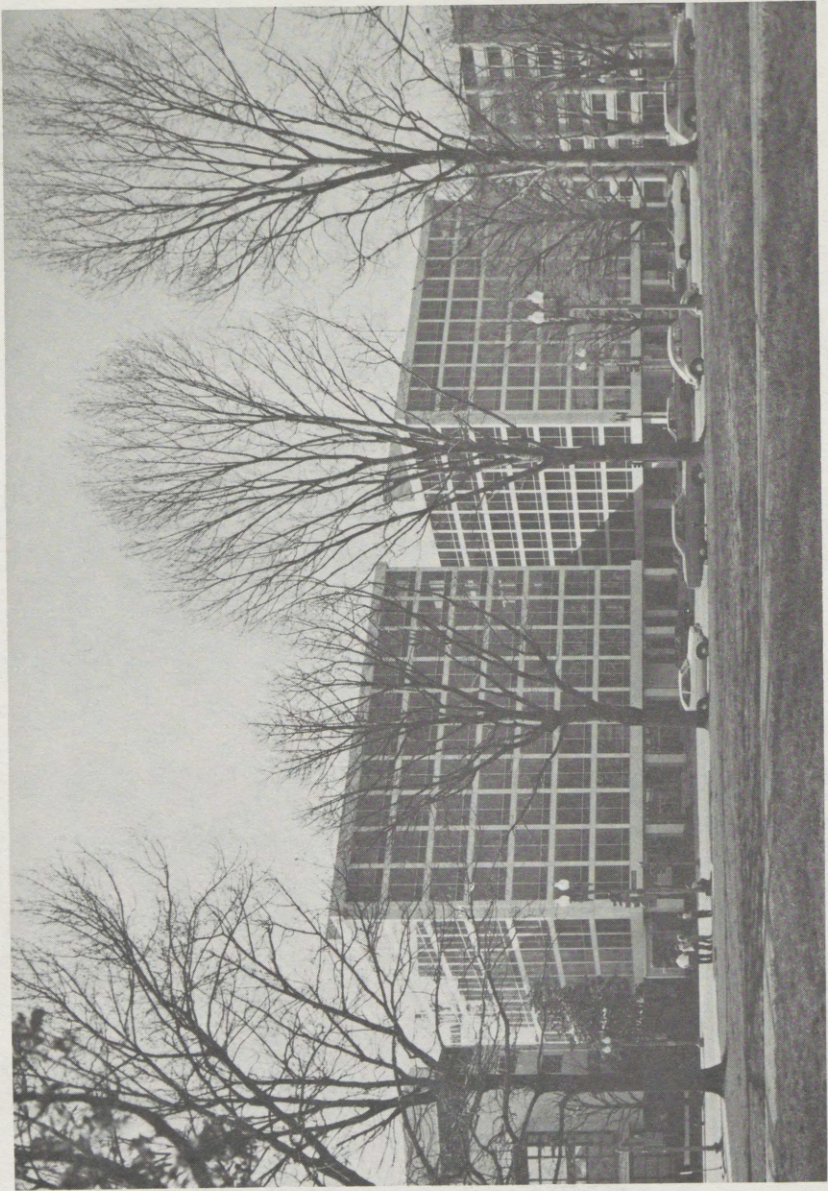


EXHIBIT 4

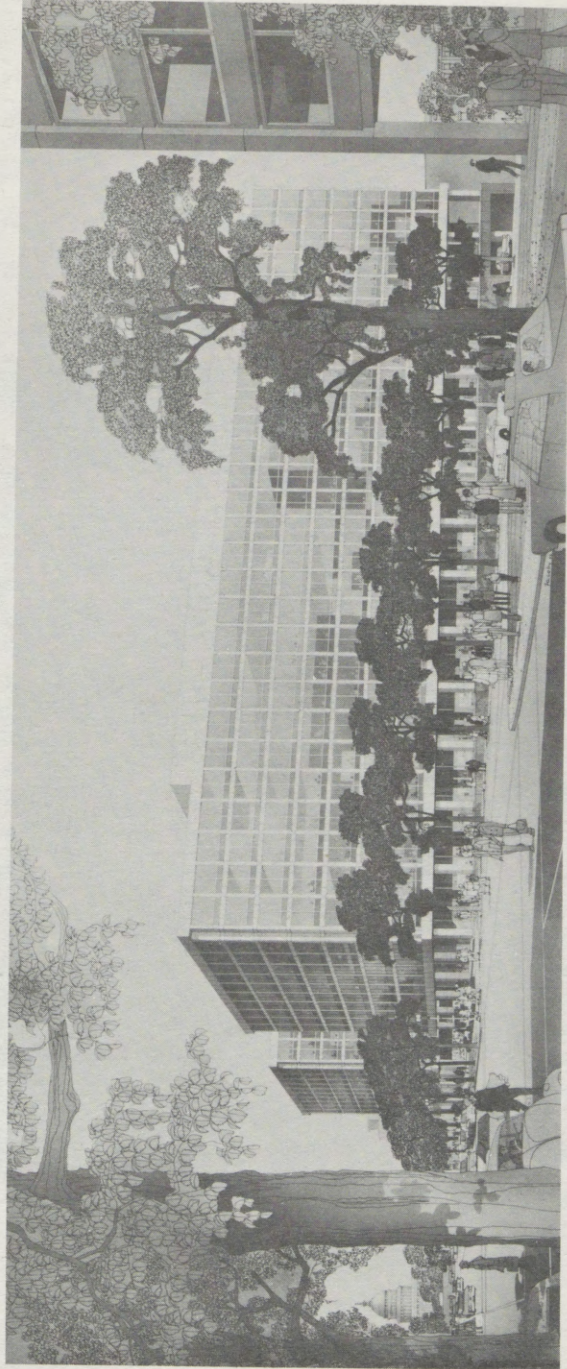


EXHIBIT 5

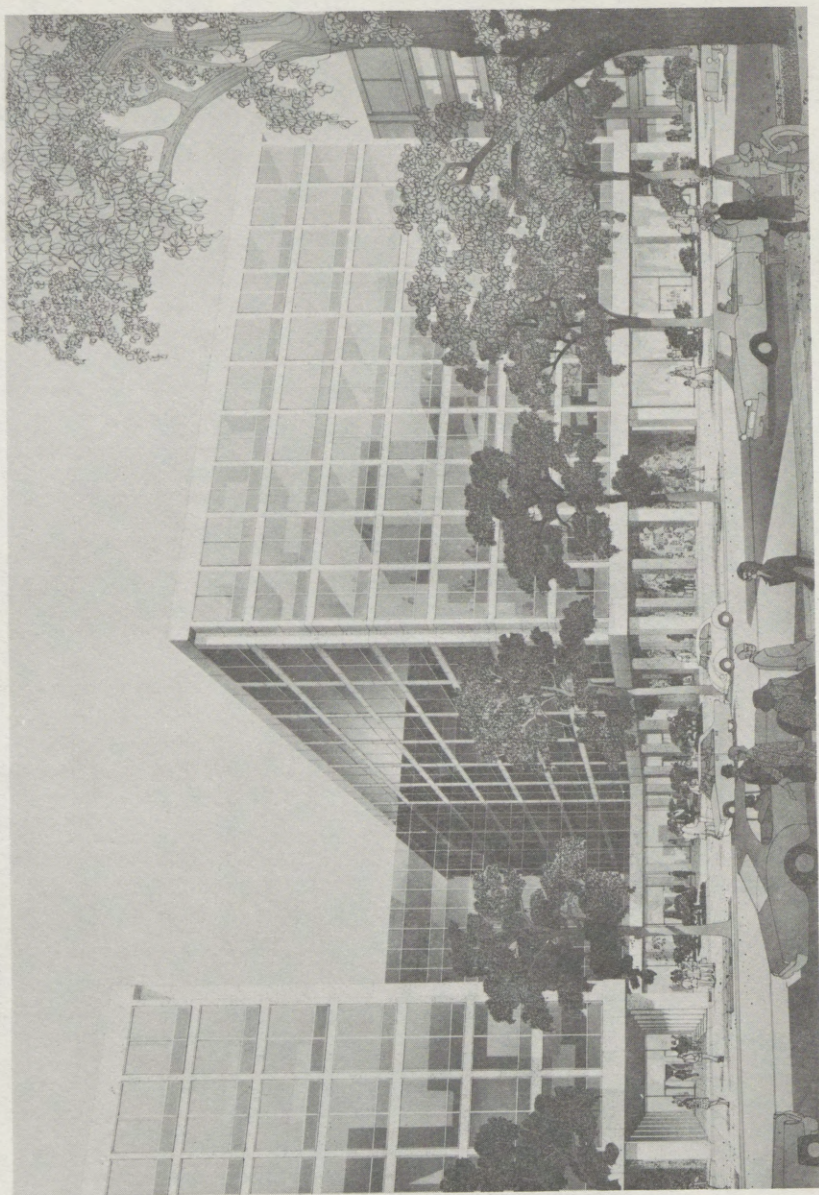


EXHIBIT 6

VLASTIMIL KOUBEK · AIA · ARCHITECT
 1200 17TH STREET, N.W., WASHINGTON, D. C. 20036 202-296-7444

April 5, 1976

400 NORTH CAPITOL PLAZA
WASHINGTON, D. C.

DESCRIPTION OF BUILDING FEATURES

1. General

The 400 North Capitol Plaza is an 8-story office building with half of first lower level devoted to office space and a three and one-half basement parking garage. The building contains approximately 975,429 square feet of gross area, of which approximately 570,163 square feet is rentable office space, with the remainder of the space accommodating 948 cars. It is of Class A fully fire-proof construction, conforming in every respect to all applicable codes and ordinances of the District of Columbia.

2. Structural

It is a reinforced concrete structure having a floor load on the office floors of 100 pounds per square foot, which is 25 percent greater than required by the D. C. Building Code. The lower level is designed for 150 pounds per square foot floor load. The reason for the extra structural strength is to provide adequate floor support for the unexpected, such as computers, heavy office equipment, files, safes, etc.

3. Arrangement of Floors and Building Module

The office floors are laid out basically on a 5 foot module, thus allowing great flexibility in arrangements of partitioning, furniture, etc. The typical office floors, second through seventh, contain almost 72,000 gross square feet of area. Typical ceiling height is 8'-5". Each is served by two service cores. The eighth floor comprises two identical areas each of 32,487 gross square feet of area separated by a roof terrace. The typical floors--or the entire building for that matter--can be divided into two self-sufficient, independent buildings where the typical floor area is reduced to approximately 36,000 square feet. Each building could then have its own identity, its own name, street address, etc.

400 North Capitol Plaza
 Description of Building Features
 Page Two
 April 5, 1976

The first floor rentable areas have 12'-3" clear ceiling height and are so designed that the entire 57,996 square feet could be used for retail, or part of it for retail and the balance for office space.

The first lower level rentable space has 9'-0" in clear ceiling height. This space is ideally suited for the location of cafeteria, computer center, data processing, etc. Like the first floor, it has a separate heating-cooling system, independent of the tower portion of the building.

4. Fine Arts Approval

Located within 1500 feet of the U. S. Capitol and facing the Capitol grounds, 400 North Capitol Plaza lies within the jurisdiction of the Shipstead Luce Act requiring review and approval of the building design by the Fine Arts Commission. This approval was unanimously given at the Commission's September, 1972, meeting.

5. Building Exterior

The exterior of the building from the second floor up consists of aluminum window wall glazed with green tinted vision glass and matching opaque glass for the spandrel areas. The window vision glass is 1/4" thick, polished green tinted heat absorbing glass, and the opaque spandrel glass will be 1/4" thick tempered Spandrelite. These glass areas are set in a grid of white marble. The heat absorbing window glass is used to cut glare and achieve a pleasing color effect from the exterior. Its primary use, however, is the comfort of the tenant. The window wall in general is composed of special aluminum extrusions made specifically for this job. Care was given to clean, unobstructed sight lines, crisp detailing, and generally desirable proportions of the aluminum members and glass areas.

6. First Floor Plaza, Arcade and Main Lobby

The building rises from a stone faced podium with the outer row of first floor columns free-standing and the glass line set back to create an arcade effect. The arcade columns, faced in the same white marble as the

400 North Capitol Plaza
 Description of Building Features
 Page Three
 April 5, 1976

upper part of the building, rest on a landscaped plaza which penetrates the site between the two towers to a depth of approximately 125 feet. The width of the plaza is 110 feet. A feature of the entrance plaza is a reflecting pool with fountains.

The main building lobby, which extends the entire width of the plaza, has a floor of Venetian terrazzo divided into squares by 1/4" wide stainless steel dividers. The twelve columns within the lobby are also clad in white marble. The 125' long and 12'-3" high back wall of the lobby, which can be seen from the plaza, is finished in green Fior de Pesco Carnico marble.

The lobby lighting and all exterior lighting of the plaza and the arcade was designed by a nationally known lighting consultant.

7. Venetian Blinds

In addition to a heat absorbing and glare reducing glass, horizontal venetian blinds will be used on the seven tower floors. The first floor will receive curtains.

8. Acoustical Ceilings

Throughout the building there will be suspended acoustical ceilings, consisting of completely concealed suspension system, and an off-white mineral fissured acoustical tile. The ceiling height will be 8'-5". The ceiling space between the underside of the concrete slab and the acoustical tile conceals all air conditioning supply duct work and fully recessed lighting fixtures. This space also acts as a return air shaft and up to the mechanical equipment room.

9. Toilet Rooms

Men's and women's toilet rooms on each floor have ceramic tile floor, base and walls. The tile on the walls extends to the ceiling, not just to a wainscot height which is usually customary. There is powder room in the ladies' room equipped with a formica vanity and wall-to-ceiling mirror.

400 North Capitol Plaza
Description of Building Features
Page Four
April 5, 1976

10. Air Conditioning

The air conditioning is divided into two basic zones--the exterior zone, which includes offices around the exterior of the building with windows, and interior zones, which include offices and other interior spaces that do not have windows. The exterior zone, which is affected by the varying outside temperatures, the rain, the sun, the snow, etc., will be heated and cooled by what is known as an electro-hydronic high pressure induction system. A tenant, in any one of the exterior offices, any time of the year regardless of season, can either heat or cool his office at his discretion. For instance, if on the western exposure one decides to cool his room, one can do so while in an adjacent office on the same exposure one can have the heat on if one so desires. Although this is a more costly system, it allows for more flexibility and comfort.

The interior zone, which is not affected by outside weather, is supplied by a low velocity air distribution system through horizontal ducts within the ceiling plenum. There is spare capacity in the system to provide additional air supply (over and above the normal office requirements) for conference rooms, board rooms, large rooms of assembly, etc.

Should a special situation arise where a computer room or other specialized room may require a separate air handling unit, a provision has been made in the building to install such a unit if necessary. The use of ceiling air diffusers or return air registers has been completely eliminated by incorporating the air diffusers into recessed fluorescent lighting fixtures. This will make the ceilings look neater and eliminate dirt that usually accumulates around these anemostats.

11. Electrical Work

Wiring for telephone outlets and electrical outlets will be through an underfloor duct placed within the thickness of the concrete floor. A floor outlet can be installed anywhere 2' on centers in one direction and 6'-8" on centers in the other direction. Because of the suspended ceiling and because of the great flexibility of this system, tenants may have telephone and electric outlets placed in the walls rather than the floor.

400 North Capitol Plaza
Description of Building Features
Page Five
April 5, 1976

The lighting fixtures will be fully recessed type, 2' x 4' in size, furnished with four fluorescent lamps. They are of special design incorporating air supply diffusers. The lens is a frameless prismatic virgin acrylic plastic, which reduces glare and is just about the best that is available.

12. Elevators

10 high-speed passenger elevators in two separate core areas.
2 service elevators in two separate core areas.
2 shuttle elevators serving the garage levels and main lobby.

13. Service Area

Service area consisting of loading berths, loading platforms, receiving, trash room, etc., is located on lower level off a private alley.

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 1200 17TH STREET, N.W., WASHINGTON, D. C. 20036 202-296-7444

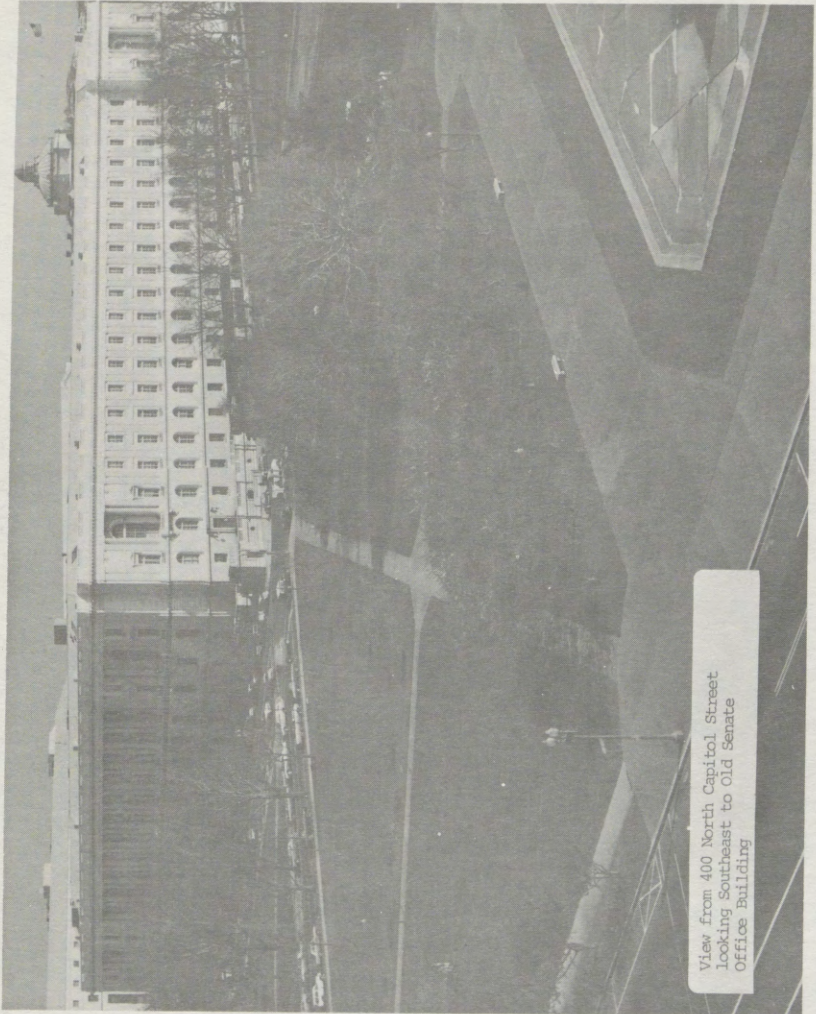
April 5, 1976

400 NORTH CAPITOL PLAZA
 AREA COMPILATIONS

<u>Level</u>	<u>Gross Area</u>	(Parking) <u>Net Area</u>	<u>Rentable Areas</u>	<u>Autos</u>
3rd Cellar	96,517 sf	71,107 sf		246
2nd Cellar	96,517 sf	87,528 sf		296
1st Cellar	95,417 sf	76,428 sf		241
Ground	93,661 sf	46,702 sf	38,012 sf	165
1st Floor	66,459 sf		*57,996 sf	
(Typical Floor)	(71,888 sf)		(68,724 sf)	
Floors 2 thru 7	431,328 sf		412,344 sf	
8th Floor	64,974 sf		61,812 sf	
Mech. Penthouse	30,556 sf			
TOTALS	975,429 sf	281,765 sf	570,164 sf	948

*17,651 sf could be used for retail purposes.

EXHIBIT 7



View from 400 North Capitol Street
Looking Southeast to Old Senate
Office Building

EXHIBIT 8

View from Old Senate Office Building
looking Northwest to 400 North Capitol
Street

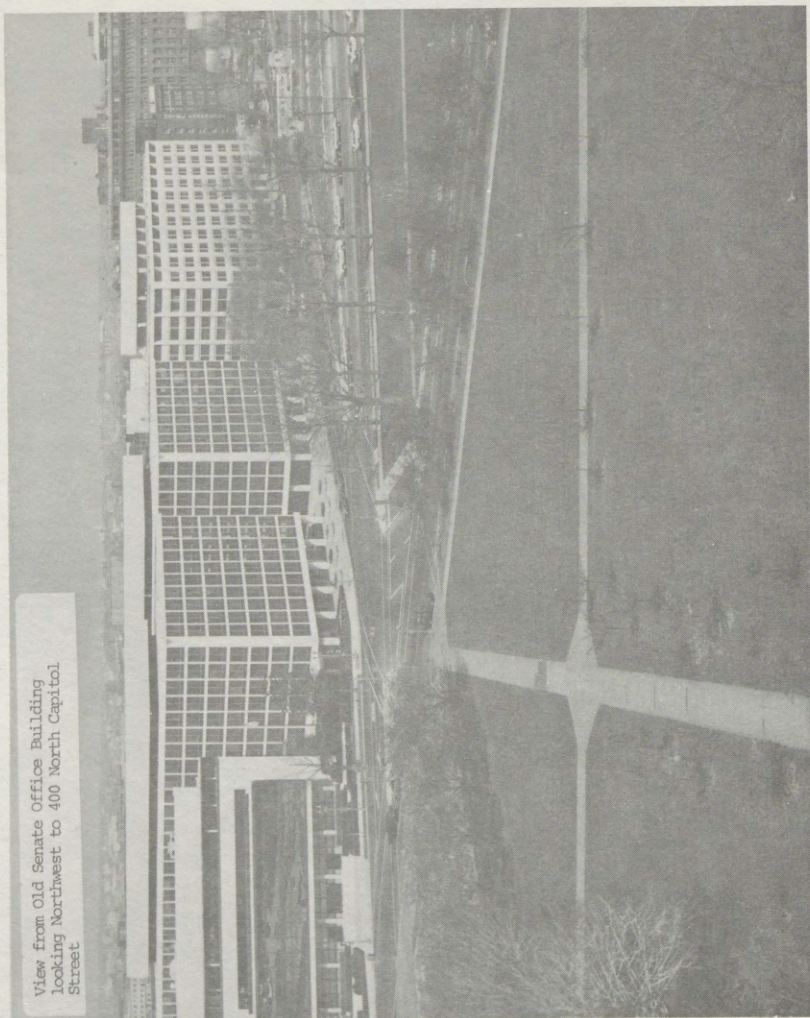
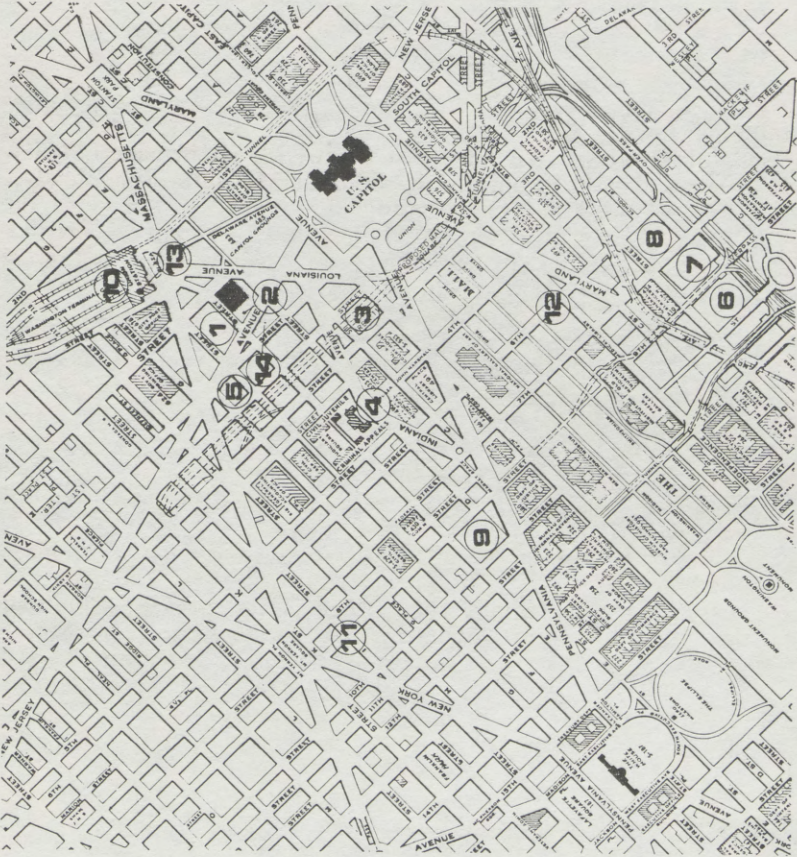


EXHIBIT 9



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Mr. BEHRMAN. I would like to add something to it as a result of the statements that were made this morning. First of all, we have never had an appraisal made of this property. Apparently there is some misunderstanding that we had an appraisal made. GSA made one. We have never had one made.

Senator MORGAN. I believe then, the correct answer would be that GSA has made an appraisal.

Mr. BEHRMAN. Right. Also the question has come up about an encroachment. To our knowledge there is no encroachment. We have title insurance. We have borrowed as much as \$26,500,000 from American Security and Trust Company, and you can be sure they had their lawyers look into it. If there is anything wrong, it will be fixed up before we expect anyone to take it over.

Senator MORGAN. All right.

Mr. BEHRMAN. I am perfectly happy to answer any questions that you might have.

Senator MORGAN. We have just a few, Mr. Behrman. Let me first ask some that were submitted by Senator McClure. Specifically, who are the owners of 400 North Capitol?

Mr. BEHRMAN. Mr. Glen H. Ballowe, who is sitting here; Peter Volpe of Boston; Federal Judge Joe Tauro has a very small interest.

Senator MORGAN. Where is he located?

Mr. BEHRMAN. Boston. He was formerly the U.S. Federal Attorney there. And myself.

Senator MORGAN. Is it a limited partnership or general partnership?

Mr. BEHRMAN. It is a general partnership.

Senator MORGAN. Now, Mr. Behrman, the question is, what are the occupations of the owners? You may think we are going a little beyond our bounds, but please understand that whatever we do here, in the Senate, is in the public domain and the public is entitled to know whether there are conflicts of interest.

Mr. BEHRMAN. At one point I was tempted to include a biographical sketch. I think I can give it to you from memory. The judge I have just described. Incidentally, his father is the present Chief Justice of the Supreme Court of the State of Massachusetts, and they represented the Volpe Construction Company. That is how he is in it. But he has, as I say, a very small interest, a 5-percent interest.

Peter Volpe is the president and principal stockholder of the Volpe Construction Company of Boston, Washington, and Miami. He is the president-elect of the Associated General Contractors Association of America, very active in groups of that sort. He is a bank director.

Mr. Ballowe is the executive vice president of Volpe Construction, operating out of Washington.

Senator MORGAN. And you are vice-chairman of what bank?

Mr. BALLOWE. Bank of Maryland.

Mr. BEHRMAN. And he has really handled all of the Volpe firm's Washington construction which generally runs to large sizes.

I am a New York attorney but I do not practice there. I have been in Florida for 20 years. I am engaged basically in the real estate brokerage business. I am the former principal owner of Oscar E. Dooly Associates, Inc. of Miami. I am now vice-chairman and sort of semi-retired as to the firm, just advising the young fellows.

I have been a developer basically in Washington with the late Frank J. Rooney, who also had been a past president of the association and was the largest contractor in the Southeast. Mr. Rooney passed away just about a year ago.

We built and own the SEC Headquarters Building and another building at 122 C Street. We pioneered on Capitol Hill as the first private developers. It has changed a lot since then. There was a time when we first built 12 years ago that we couldn't interest any private people to go in there.

However now at 400 North Capitol, we have had offers to lease from savings and loans, a national bank, and we have offers from several private people. Time-Life Books is interested in leasing space. We told them we can't do anything, that we have this matter pending with the Senate and would prefer to deal with the Senate.

I am also a director of the First Federal Savings and Loan Association of Miami, which is the ninth largest in the country. Do you want to know the respective interests of the partners? If you do, I would be glad to tell you.

Senator MORGAN. I don't think so, Mr. Behrman. Who is representing the owners, in your negotiations with the Senate?

Mr. BEHRMAN. Smathers, Merrigan & Herlong.

Senator MORGAN. Is it George Smathers, a former member of the Senate?

Mr. BEHRMAN. That is right.

Senator MORGAN. What law firm is it?

Mr. BEHRMAN. It is Smathers, Merrigan & Herlong. And I should add that I have known Senator Smathers for the 20 years that I have been down in Miami.

Senator MORGAN. In other words, he is from your home State?

Mr. BEHRMAN. Yes, sir.

Senator MORGAN. What specific tenant work, by you, does your proposal envision?

Mr. BEHRMAN. Well, there is an area of confusion. Could I let Mr. Ballowe answer that, Mr. Chairman?

Senator MORGAN. Sure. Let the record reflect that Mr. Ballowe is responding.

Mr. BALLOWE. Are you asking what constitutes tenant work in this building?

Senator MORGAN. Yes.

Mr. BALLOWE. At present the building is, as the Architect of the Capitol stated, completed except for the ceiling, the lights and the floors, the resilient tile floors. Now, the material for those is in the building stored there. The only remaining tenant work to be done would be the partitions, the doors and the hardware required. That to us is the tenant work. But we have in place in the building ready for installation all of the remaining materials which have been testified about previously.

Senator MORGAN. Let me go back a minute. GSA estimated the cost of tenant improvements at about \$3 million. Is that somewhere in the neighborhood of what you estimate?

Mr. BALLOWE. That is quite excessive for us. We estimate the remaining tenant work to be done at somewhere less than \$1 million.

Mr. BEHRMAN. May I interject at this point, Mr. Chairman, generally people think of tenant work as including ceilings, floor covering and lights. We have always made our building contracts a little differently. We include these items in our base building, and we consider tenant work just really the partitioning, the doors and the electrical and telephone outlets. So there is a big difference if we were to include the ceilings and lights and floor covering together with what will now have to be spent for partitions, and so forth. It would be much larger but still nowhere near the \$3 million as estimated by GSA.

Senator MORGAN. Gentlemen, do you consider a building situated one-third of a mile from the Capitol to be in a good location?

Mr. BALLOWE. It is a very close location, I think. In this booklet we have given you pictures taken from this Senate Office Building and next door, the Old Russell Building viewing the North Capitol Street Building. Mr. Behrman and I have walked it many times, and it takes us 4 minutes from the plaza level of the building to the corner of the Russell Building.

Senator MORGAN. I agree, it is not very far. But your photography, in this brochure, makes it look closer than it really is.

Mr. BALLOWE. This picture was made last Saturday, Senator. You can see it is a very recent picture.

Senator MORGAN. It still appears awfully close. Now, I assume we have most of the information we need in here, but what was the construction cost of that building, per square foot?

Mr. BALLOWE. The building by itself, the total cost we have to date, Senator, as we have testified before the Sergeant at Arms was around \$31.5 million.

Senator MORGAN. Can you explain to me how you built that building for \$31.5 million?

Mr. BALLOWE. That is what it cost us.

Senator MORGAN. What does that equal per square foot?

Mr. BALLOWE. \$31 per square foot, including the land and all the costs.

Senator MORGAN. How you can build for \$31, yet every Federal building proposal brought to our Committee from GSA runs from \$50 to \$90 a square foot?

Mr. BALLOWE. If you will read in the testimony we have given you here, we couldn't reproduce the building, even using the original land acquisition cost, at much less than \$41 million, actual reproduction cost today. We are fortunate that we started this building 3 years ago before you had your sharp surge in construction costs.

Senator MORGAN. How much would that run per square foot?

Mr. BALLOWE. Around \$38 to \$40.

Senator MORGAN. Would you say that is the difference between free enterprise doing it, and the Government bureaucracy?

Mr. BALLOWE. I would say that.

Senator MORGAN. In North Carolina we are building a modern new office building which I thought was extravagant at \$57 a square foot. But as chairman of this subcommittee for 15 months, I have heard proposal after proposal for courthouses and office buildings across the country, running from \$50 to \$90 or more. I honestly don't recall many at \$50. That is why I was asking about yours.

Mr. BALLOWE. I have been in the construction business for 30 years, and I can assure you that the price of this building is most, most reasonable on a square foot basis.

Senator MORGAN. Gentlemen, Chairman Randolph asked a question yesterday, at a hearing conducted on energy conservation in Federal buildings. He asked what if any consideration is given to energy requirements in the planning and construction of such buildings. Specifically, do you know what the energy consumption of this building might be, on the basis of Btu's per gross square foot per year?

Mr. BALLOWE. Frankly, I could not give you that at my fingertips. I am not sure whether Mr. Koubek has those with him or not.

Senator MORGAN. Will you be able to supply us with a detailed answer, for the record?

Mr. BALLOWE. Yes, we would.

Mr. BEHRMAN. May I comment on one thing? I was very interested by your comments about private industry vis-a-vis the public building, and I still can't understand how GSA could possibly figure that they could build this building for \$28,500,000, which is what they are saying in effect, or a total of \$31,500,000 with tenant work. I don't understand it, except that perhaps they do their appraisals also a little differently than the private sector does.

And I think that, Glen, you would say that we will build any new buildings they want us to build at \$41.00 a foot, for the record.

But the point I am making is that when we build, we have included in that cost many millions of dollars for interest during construction for money that we have to borrow. But when the Government builds, they don't even include that in their cost.

Senator MORGAN. Well, there may be special specification requirements and other things we don't know about. But it concerns me, and I would like to comment again with regard to Senator Randolph's question. I rather suspect that little consideration was given to energy consumption during design, because construction was started before the energy crisis in 1973. And if you did, you were probably the exception among architects. It concerns me that the building is almost all glass. But then, so are an awful lot of others that I see.

I think we are only just becoming really energy conscious, during these last 3 or 4 years.

Mr. KOUBEK. Mr. Chairman, my name is Vlastimil Koubek. We did give a great deal of consideration to the energy conservation in the building. And the illusion of seeing so much glass, I think, should be explained. Some of the glass is vision glass and the rest of the glass that you see on the building is opaque glass, behind which there is concrete masonry unit back-up plus insulation plus the convector enclosure that contains the heating/cooling unit at the perimeter of the building.

So I would venture to say that perhaps only 50 to 52 percent of the facade is vision glass, that glass that we now consider poor in designing buildings as far as energy consumption is concerned.

And Btu consumption I will try to furnish. We don't have it with us because I didn't expect that question to come up.

Senator MORGAN. How is this building heated and cooled? Could it be connected into the Capitol heating and cooling systems?

Mr. KOUBEK. Well, the building is an all-electric building. It is heated and cooled by electricity.

Senator MORGAN. Electric resistance type heating?

Mr. KOUBEK. Yes. And it is an all air system on the interior where you do not have windows. I think that the adoption of the building—are you speaking of steam, perhaps?

Senator MORGAN. Yes.

Mr. KOUBEK. That could be looked into, and I am sure we could answer that as to whether or not it could be converted reasonably quickly.

Senator MORGAN. I think that is something the Members would like to know. Would you submit something for the record on it?

[The following information was subsequently supplied:]

400 NORTH CAPITOL ASSOCIATES
c/o Glen H. Ballowe
5200 Auth Road
Washington, D. C. 20023

April 14, 1976

The Honorable Robert B. Morgan
United States Senate
Washington, D. C.

Re: 400 North Capitol Plaza

Dear Senator Morgan:

In accordance with your request at the hearing last Friday, April 9, 1976, we enclose herewith a letter from our architect describing in detail the mechanical and electrical systems on the subject project.

We trust this is the information you desired, however, if there is additional information required, we shall be happy to furnish same immediately.

Sincerely yours,

400 NORTH CAPITOL ASSOCIATES


Glen H. Ballowe

Enclosure

GHB:dh

VLASTIMIL KOUBEK · AIA · ARCHITECT

1200 17TH STREET, N.W., WASHINGTON, D. C. 20036 202-296-7444

April 13, 1976

The Honorable Robert B. Morgan
 The United States Senate
 Washington, D. C.

Dear Senator Morgan:

This is further to your request of last Friday, April 9th, for certain data with respect to mechanical and electrical systems in the 400 North Capitol Plaza building.

Mechanical

The air conditioning system design basis is to maintain room conditions not in excess of 76°F. dry bulb and 50% relative humidity when the outside conditions do not exceed 95°F. dry bulb and 78°F. wet bulb. (This is based upon standard conditions as outlined in the specifications.)

The system also will maintain room conditions of not less than 72°F. dry bulb when the outside dry bulb temperature is 10°F. or higher with a minimum 30% relative humidity.

The outside ventilation design is 0.2 cubic feet per minute per square foot of office space minimum. All air handling equipment is capable of 100% outside air for use with the economizer cycle.

The perimeter office air conditioning is provided by an electric induction system with individual thermostatic control in each exterior office.

The interior offices are conditioned by a conventional low pressure system supplying conditioned air through the light fixtures with a return air ceiling.

The present system can be converted with steam heat by installing steam supply and condensate system. The electric duct heaters in all air handling apparatus would be replaced with steam coils. A hot water converter would be installed in the secondary water for the induction units and the domestic hot water system.

The Honorable Robert B. Morgan
April 13, 1976
Page Two

The electric induction heaters would be left in the units. The unit controls may have to be modified. The main system controls will also have to be converted to handle the steam heat.

Electrical

The electrical system was designed to provide 5 watts per square foot for 265/460 volt circuits for fluorescent lighting and small power and 2-1/2 watts per square foot for 120/208 volt usage such as receptacles and incandescent lighting.

Lighting was designed as recessed fluorescent air handling fixtures to provide an intensity of 75 foot candles. No fluorescent fixtures have been installed pending tenant layouts.

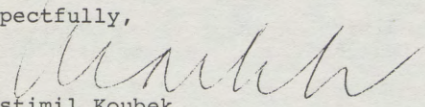
The building has a non-coded fire alarm system with graphic annunciation in the lobby.

An emergency generator sized to provide emergency lighting where required and operate one elevator at a time in each elevator bank has been installed.

If I can be of further help please do not hesitate to contact me.

Thank you.

Respectfully,



Vlastimil Koubek

VK/dk

Senator MORGAN. Let's see if there is anything else. I could ask some other questions that have been suggested, but as an attorney who has practiced a good many years, I don't believe here is the time and place to negotiate price. We have your proposal, and your testimony with regard to cost. We have an excellent appraisal by GSA. I think that negotiations should be carried on by appropriate officials, sitting across the table, and not by you and I in a formal committee room.

So I am not going to ask what you will take, or won't take, or what we will give you. I am not authorized to do this.

Is there anything else you would like to add, for the record?

Mr. BEHRMAN. No, sir.

Senator MORGAN. Thank you then, gentlemen, for coming.

We stand adjourned.

[Whereupon, at 11:05 a.m., the subcommittee recessed, to reconvene subject to the call of the Chair.]



