LEASES, ALTERATIONS, AND NEW CONSTRUCTION

HEARING

BEFORE THE

SUBCOMMITTEE ON BUILDINGS AND GROUNDS

OF THE

COMMITTEE ON PUBLIC WORKS

UNITED STATES SENATE

NINETY-FOURTH CONGRESS

SECOND SESSION

ON

U.S. CUSTOMHOUSE, NEW ORLEANS, LA.
FEDERAL BUILDING, DALLAS, TEX.
JOHN W. McCORMACK POST OFFICE AND COURTHOUSE, BOSTON, MASS.
FEDERAL TRADE COMMISSION, WASHINGTON, D.C.

PART 3

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LEASES, ALTERATIONS, AND NEW CONSTRUCTION

MONDAY, JUNE 28, 1976

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
SUBCOMMITTEE ON BUILDINGS AND GROUNDS,
Washington, D.C.

The subcommittee met at 9:08 a.m., pursuant to call, in room 1114, Dirksen Senate Office Building, Hon. Robert Morgan (chairman of the subcommittee) presiding.

Present: Senator Morgan.

Senator MORGAN. Are you gentlemen ready? For the record, the hearing this morning is to discuss four building prospectuses now pending before the subcommittee. These propose repairs and alterations, and request increases in authorization above the amounts originally approved.

In this case, those total $14.3 million for the four buildings or 68 percent over the original estimates. We have talked many times about increases and cost overruns. I have frequently expressed concern and frustration because of it.

I simply don't understand why this seems to have become a common procedure in Federal Government when it isn't in State government. We have got to find ways and means of properly estimating the cost of repair jobs and alterations before we go into them. And I think we must find ways of taking inflation into consideration so we can have accurate estimates.

Let me ask you this before we start: When GSA begins alteration projects, do they do them or let them out on contract?

STATEMENT OF FRED WENDEHACK, DEPUTY ASSISTANT COMMISSIONER OF BUILDINGS MANAGEMENT, PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION, ACCOMPANIED BY WOLFGANG ZOELLNER, DIRECTOR, REPAIR AND ALTERATIONS DIVISION

Mr. WENDEHACK. To do alterations, sir, or make estimates?

Senator MORGAN. Alterations.

Mr. WENDEHACK. The alterations themselves are put out on competitive bid and done by private contractors.

Senator MORGAN. Why is it that we are continually faced with cost overruns?

Mr. WENDEHACK. My definition of cost overrun is different from yours. Perhaps I should address it in general. In these particular prospectuses, and the U.S. customhouse in particular here, the first

one, in preparing our estimates, our estimates are generally prepared in-house by our engineers in our regional offices and escalated to the then anticipated point of construction.

Normally, we are preparing our prospectuses on the basis of a 5-year plan with hopes of getting appropriations within a certain point in that 5-year time frame. In the case of the customhouse, for example, the original estimate took us through 1972, at which point we hope to proceed with the construction work on the prospectus.

However, we did not get authorizations in our appropriation for the customhouse until 1976. As a result, since that time we have had a 36-percent cost escalation, and this is based upon the Beockh Index, which is a nationally used index as far as construction.

We have had an actual 36-percent cost escalation, not because of the change in the scope of the project but because of increases in inflationary costs in the country in general.

Senator MORGAN. Since 1972?

Mr. WENDEHACK. Since 1972.

Senator MORGAN. When it wasn't appropriated in 1972, you had to come back to Congress in 1973?

Mr. WENDEHACK. We did not have to come back unless the amount had exceeded the prospectus appropriation.

Senator MORGAN. How would it be if we authorized these projects on condition that work could be let for only the amount involved?

Here is what I am saying: You come in here and get an authorization and it runs on and on. You hold onto that appropriation for 4 years. Maybe this committee wouldn't approve it at that particular time, in view of increased costs and so forth. But you use that authorization as a continuing justification before the Appropriations Committee. I am just trying to point out the reasons for some of this public criticism, which I share in.

I just don't understand how you can start out with a job for a certain amount, and go ahead with it even when you know at the time that you don't have enough funds to finish it.

Mr. WENDEHACK. We have not yet gone ahead with the projects, sir. It is ready to be awarded. We can award in August of 1976, or put it on the market, rather, put it on the market in August. That would enable a contract award in November.

However, that is the very reason we are coming back here. We have not gone on the market yet. We have come back to you because we know costs have escalated. We have not yet sampled the market or gone on competitive bids to find the actual price.

But based on escalated costs that have occurred since the prospectus was approved, we are reasonably sure the amount of the bids are going to be considerably higher than the originally authorized prospectus.

U.S. CUSTOMHOUSE, NEW ORLEANS, LA.

Senator MORGAN. As you say in the prospectus, some work for which funds were requested in 1972 has already been completed. This led me to believe you had gone on and gotten some kind of appropriation.

Mr. ZOELLNER. The U.S. customhouse in New Orleans?

Senator MORGAN. You listen to this: "This prospectus requests a $2.3 million increases in authorization from the $6.3 million approved in 1972 to $8.6 million, for making repairs and alterations to the old customhouse building in New Orleans. Some of the originally author-

ized work has been completed, but a combination of inflation and budgetary restraints * * *" Has none of this work been done?

Mr. WENDEHACK. Not to my knowledge, sir. I am not aware of any being done. I don't believe the prospectus——

Senator MORGAN. It says this amendment is submitted to increase the limit of cost to complete the project.

Mr. WENDEHACK. That language is misleading. It is to perform the project. None of the work, to my knowledge, has been initiated on this project.

The initial drawings have been done, but none of the contracts have been let as yet. As I say, the anticipated date of award will be November, pending approval of the Senate to proceed with the prospectus.

I think there is a misunderstanding of the wording there.

Senator MORGAN. To complete the project would lead me to believe——

Mr. WENDEHACK. That is poorly worded on our part.

Senator MORGAN. Will you tell me what you are going to do there?

Mr. WENDEHACK. The scope of the work, as I mentioned, has not increased from the originally authorized limits.

Second, based on the escalation as I mentioned over the past 4-year period of about 36 percent, the major items include replacing the roof, repairing windows, installing new toilet rooms, restoring the upper floor to general office space, installing four new passenger elevators, repairing the HVAC system, restoring woodwork and floors and entrance.

This building is a national landmark. It is on the National Register of Historic Buildings. It was originally started in 1848, and it was completed in 1881. The restoration work we are doing is consistent with the Historic Preservation Act. And I guess Senator Buckley is proposing a bill to use historic buildings, and it is consistent with that type of approach.

Senator MORGAN. But you refer here to conversion and previously you referred to major repairs and improvements. Is there any significance in this particular terminology?

Mr. WENDEHACK. Our wording for authorizations for repairs is a general term that we use to cover all types of work. There is conversion of the space in the upper floors to office space. It is unused warehouse storage space.

Senator MORGAN. You referred to conversion. Now you are using conversion again.

Mr. WENDEHACK. We have used that interchangeably with repair and alterations, being a general term.

Senator MORGAN. The prospectus approved in 1972 referred to a net area of 202,094 square feet, but it did not indicate gross square footage. The current prospectus indicates the gross area to be 307,620 square feet, and the occupiable area as 138,995 square feet.

This is a difference of up to 121 percent. What is the explanation?

Mr. WENDEHACK. Of the three different types of measurements we use, the gross area is the total space from roof of basement, from wall to wall, and includes your mechanical space.

All storage space, rooms assigned to your building manager for operation of the building, are included in the gross areas, in fact, it

includes the construction space itself, such as shafts and so forth. It's a total for the building.

The net square footage was a square footage that we used prior to the initiation of the Federal Buildings Fund, and included only that square footage actually assigned to the agency.

To be consistent with the private sector, we went to occupiable square footage that includes square footage such as phantom corridors that go through the office space, and provides a more true record of the actual space in the building.

Senator MORGAN. What is the cost per net square foot of this renovation?

Mr. WENDEHACK. We put everything on a gross square footage to make it compatible to construction. On gross it is $28 per square foot.

Senator MORGAN. For renovation?

Mr. WENDEHACK. For the entire project. This building is very old and has not had a major renovation job done to it since it was constructed.

Senator MORGAN. I suppose renovation is about as expensive as new construction?

Mr. WENDEHACK. Renovation is very expensive.

The construction cost in this particular area for a new building would be around $70 per square foot, gross, in that area.

Senator MORGAN. I can't imagine construction cost being more in New Orleans than in Washington. There must be a difference in the way we build. Maybe the taxpayers don't want to pay that.

I fail to understand the tremendous difference in the cost of buildings constructed by the Federal Government and those constructed by private industry and State governments.

Mr. WENDEHACK. Many things impact on us that don't necessarily impact on the private sector. For example, the provision of court facilities, laboratory space, and the handicapped requirements in Federal office buildings.

We are presently looking at our construction costs. The Public Building Service is in the process of making an extensive study on construction and looking at ways of reducing down this cost of Federal construction, and this, hopefully, will have some impact on this.

Senator MORGAN. You say you are doing this study now?

Mr. WENDEHACK. Yes.

Senator MORGAN. The position I find myself in is that we are limited as to what we can do in examining and authorizing prospectuses. All we can do is review the information you have given to us.

We don't have either the time or manpower to sit down and recompute the cost. Until such time as I really can be satisfied that GSA needs this money, I approve each one of them very reluctantly.

One of these days I am going to just put them in my desk drawer and let them stay there for awhile.

The ever-increasing cost does upset me. I don't want to come up here and just rubberstamp everything you propose. Yet that is what I feel sometimes that we are doing. I am not satisfied we are getting the best dollar value.

Mr. WENDEHACK. We go through a very extensive series of operations in coming up with a prospectus. The regional office prepares it initially. They go through an analysis.

Anytime we get ready to repair or alter a building, we compare against the cost over a 20-year period versus constructing a new one, and make a thorough analysis of costs to make sure the project is cost-effective over the 20-year period. If not, we will recommend another course of action.

It may be leasing or construction, depending on what the analysis shows. Once the region has prepared the prospectus, Mr. Zoellner's office sends someone to the location to review the specifics of the project, and in many cases we knock out a number of items.

Senator MORGAN. I would hope so because human nature being what it is, we are inclined sometimes to ask for everything. When they start knocking things out, we may get something nearer to what we actually need.

Mr. WENDEHACK. Mr. Zoellner has pulled the program together and, as I say, in such things as the firesafety items, our Fire Safety Division looks very carefully at the items proposed by the region and knocks out many, many items the region proposes, and keeps the project in line with what is actually required.

In addition, these are only estimates, of course. The actual costs are based on the actual market at the time when bids are received. So, things are controlled in that respect, also.

Senator MORGAN. Let's go on.

Who is going to occupy this 26,000-square-feet area that is now vacant?

Mr. ZOELLNER. Senator, it is space in the building that will not be occupied by agencies, until the full restoration has been completed. The occupancy of this space after restoration has not yet been determined.

Senator MORGAN. Isn't there something proposed on the top floor for office space, that has been used for storage?

Mr. WENDEHACK. That will be occupied by the U.S. Customs Service.

Senator MORGAN. Is there any work proposed in this prospectus that is over and beyond that proposed in 1972?

Mr. WENDEHACK. No, sir, it is exactly the same scope of work.

Senator MORGAN. Does this prospectus include all the work that needs to be done in the foreseeable future?

Mr. WENDEHACK. That's right. This is the complete project for the entire building.

Senator MORGAN. Have any funds been obligated for this project to date?

Mr. WENDEHACK. No, sir. The contract is available to go on the market for award in November.

Senator MORGAN. You said earlier funds were appropriated.

Mr. WENDEHACK. Funds in the budget in the 1976 year. We have not spent any money.

Senator MORGAN. How much money was appropriated this year?

Mr. WENDEHACK. In 1976, I believe approximately $6.5 million.

Senator MORGAN. Is that about what you are asking for now?

Mr. WENDEHACK. That is not—it would not all be completed in 1976. That is not the total project.

Senator MORGAN. Was this submitted to OMB?

Mr. WENDEHACK. No, sir, this project would not be. We have a requirement where we have to submit it to OMB when it is over $10

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million. However, we forward them a copy of whatever prospectus we send to you.

Senator MORGAN. Has an environmental impact statement been filed?

Mr. ZOELLNER. An environmental impact statement is being prepared for this building.

Senator MORGAN. Senator Buckley has asked that I submit the following questions:

GSA estimates cost escalation of 13.5 percent. What price index or other measure was used in making this projection? What index or other measure was used to determine that the total cost has risen 36 percent since 1972?

Mr. WENDEHACK. We utilize the Beockh index in determining construction costs. And as I mentioned, this was predicated on a 4-year escalation of 36 percent based on the Beockh index.

Senator MORGAN. Did GSA make an allowance for cost escalation in the original $6.3 million estimate?

Mr. WENDEHACK. Escalated through December 1972. That was the time we anticipated or hoped we could proceed with construction.

Senator MORGAN. How much allowance was made?

Mr. WENDEHACK. $264,000 was included in the original estimate.

Senator MORGAN. He also wants to know if GSA assumes cost esclation in the project authorization. If so, how much?

Mr. WENDEHACK. Yes, sir, we do. As I say, we prepare our prospectuses on a 5-year basis. If we anticipate doing one part of the project in 1980, we would escalate the prospectus for that portion of the work through 1980. If the rest of the work in 1982, we would escalate that portion to 1982 based on the trends we anticipate.

We are estimating the escalation, but do it on the trends of escalation we have had in the past.

[The prospectus follows:]

PROSPECTUS NUMBER: PLA00333

PROSPECTUS TO AMEND A PUBLIC BUILDING PROJECT
AUTHORIZED UNDER THE PUBLIC BUILDINGS ACT OF 1959, AS AMENDED

1. DESCRIPTION OF PROPOSED AMENDMENT:

This amendment is submitted to increase the authorized limit of cost for the public building project listed below. The scope of work has not increased beyond authorization limits and its justification, as described in the approved prospectus, has not lessened; however, the maximum limit of cost has increased above the amounts authorized by Section 7(b) of the Public Buildings Act of 1959, as amended (40 U.S.C. 606(b)). There is attached a detailed explanation of the increased cost.

2. PROPOSED AMENDMENT:

Location	Project	Total Estimated Maximum Cost
New Orleans, Louisiana	U.S. Customhouse (Conversion)	$8,621,300

3. STATEMENT OF NEED:

It has been determined that (1) the U.S. Customhouse is a vital part of the future Federal housing plan in New Orleans, and (2) suitable rental space is not available at a price commensurate with that to be afforded through the action proposed herein.

Submitted at Washington, DC, on NOV 25 1975

Recommended: _____
Commissioner, Public Buildings Service

Approved: _____
Administrator of General Services

PROPOSED AMENDMENT TO:

U.S. CUSTOMHOUSE
(Conversion)

NEW ORLEANS, LOUISIANA

PROSPECTUS NUMBER: PLA00333
(Formerly numbered: 17-0033-2)

DATE SUBMITTED TO CONGRESS: February 28, 1972

DATE OF APPROVAL BY COMMITTEES ON PUBLIC WORKS

Senate - May 22, 1972
House of Representatives - June 14, 1972

Because of a time lag from the date of Congressional approval of the project to the appropriation of funds, the total project cost has escalated beyond the limitations of the prospectus. This project provides for conversion and improvements to the U.S. Customhouse to restore its architectural and historical values. Based on actual and projected increases in management and inspection cost and in construction indices from fiscal year 1972 to fiscal year 1976, the estimated year of construction contract award for the remaining work, the project cannot be accomplished within the approved limit of cost. This amendment is submitted to increase the limit of cost to complete the project. A detailed analysis of the cost increase is attached as Exhibit B.

ESTIMATED COST	Approved Estimated Maximum Cost	Revised Estimated Maximum Cost	Difference and Percent
Site, Design & Review----	$ 416,700	$ 568,000	$ 151,300 - 36%
Management & Inspection--	200,000	272,000	72,000 - 36%
Construction--	5,724,300	7,781,300	2,057,000 - 36%
TOTAL COST	$6,341,000	$8,621,300	$2,280,300 - 36%

APPROXIMATE AREAS:

Gross Area of Building.....307,620
Occupiable Area of Building.....138,995
Percent of Occupiable Area to Gross.....45 percent

EXHIBIT A

U.S. CUSTOMHOUSE
(Conversion)
NEW ORLEANS, LOUISIANA
PROSPECTUS NUMBER: PLA00333

PROPOSED HOUSING PLAN

Agency	Area (Square Feet)	Personnel
Department of Defense	4,285	30
Department of State	5,292	50
Department of Treasury	98,692	198
Department of Transportation	726	5
Department of Agriculture	3,200	20
Vacant (Pending architectural layout to restore historical features of building)	26,800*	--
Total Occupiable Area	138,995	303

*This space has been set aside because public areas and corridors are being architecturally restored. Therefore, occupiable space will be reduced somewhat and when the work is completed, space adjusted, and total occupiable space determined, it will be backfilled with agencies requiring the space.

EXHIBIT B

U.S. CUSTOMHOUSE
NEW ORLEANS, LOUISIANA

A. Analysis of Increased Construction Costs Since 1972

1.	Estimated Construction Cost Prospectus submitted 2/11/60		$ 194,000
	Additional Authorization - Submitted 2/28/72		5,530,300
	Total Current Authorization -		$5,724,300
	Construction Expense 1960	$ -194,000	
	Construction Expense 1972	-366,400	
	Balance Authorized	$5,163,900	
2.	Historical Cost Increases to Date:		
	Cost increase from 12/72 to 1/75 23.2 percent based on actual cost indices for the period ($5,163,900 x 23.2%)		1,198,000
3.	Projections for Future Escalation:		
	Estimated cost increase from 1/75 to 3/76 based on projected escalation of 13.5% for the period (6,361,900 x 13.5%)		859,000
4.	Estimated Construction Cost (3/76)		$7,781,300

EXHIBIT B (Cont'd)

U.S. CUSTOMHOUSE
NEW ORLEANS, LOUISIANA

B. Analysis of Increased Sites and Expenses Cost Since 1972

Item	Prospectus 4/60 & 6/72	Amendment	Reason of Increase
Site, Design, & Review Costs	$416,700	$568,000	Based on actual and projected cost increases from 12/72 to 3/76 for AE contract, printing, testing, travel, and time card charges incurred and projection of minor design and review required.
Management & Inspection Costs	200,000	272,000	Based on actual and projected cost increased from 12/72 to 3/76 for salary increases for both A&E and GSA inspections and unanticipated reports now required.
Total Site, Design, Management & Inspection	$616,700	$840,000	

FEDERAL BUILDING, DALLAS, TEX.

Senator MORGAN. All right. Let's go to the Dallas Federal Building.

The prospectus requests a $4.6 million increase over the original $7.2 million previously authorized in 1972, bringing it to $11.8 million, for alterations and repairs to the Federal building. All work originally authorized has been completed.

Mr. WENDEHACK. On the first prospectus the majority of the work was completed. That was for—let me get the total amount obligated.

It was around $800,000. That was the original prospectus approved in 1961. On the prospectus approved in 1972, we have not done any of the work because of a series of things that occurred.

Senator MORGAN. Did you get an appropriation for it in 1972?

Mr. WENDEHACK. We have not had appropriations for the 1972 prospectus yet.

Senator MORGAN. What is it that GSA proposes to do?

Mr. WENDEHACK. This particular building at the present time, the building consists of 19 floors, 7 of which are unusable floor space of about 40,000 square feet.

Senator MORGAN. Is this the building in the picture, the one that you are talking about?

Mr. WENDEHACK. I don't believe that picture shows the tower portion on it. I believe that is a proposed view or a drawing showing what it is supposed to look like after the alteration work.

Senator MORGAN. What are you going to do with the tower?

Mr. WENDEHACK. We are going to demolish the tower because of the safety and condition of the tower, both interior and exterior.

It would cost about $4.5 million to do the work, and we have gone through economic evaluations on it and it is far more cost effective to the public to tear this part of the tower off and renovate the rest of the building.

In addition to removing the tower, we are going to install firesafety items, a new air-conditioning system because of problems with the air-conditioning system in this building, heating distribution system, and replace existing windows on the exterior.

Senator MORGAN. The prospectus refers to occupational health hazards. What are these? I believe it mentions an "apparent occupation health problem."

Mr. WENDEHACK. Yes, sir. We had to actually vacate the space in this building because of a viral problem called hypersensitivity pneumonitis. I am not sure what that means, but it is a lung ailment. That was caused by the type of air-conditioning system in the building.

It is an open-spray system. When you have an open-spray system, it collects the dirt out of the air and keeps respraying that water, and as a result you have germs and so forth being created in the system.

It is a system that was obsolete long ago. We do not have that type of system in any of our other buildings. We have checked. But we had a number of doctors, including Dr. Ligo of Labor, Dr. Fink of the Wisconsin Medical College, and Dr. Peters to look at a group of people down there that were complaining of problems with their lungs. To the best judgment of everyone, it apparently was caused by the air-conditioning system.

As a result, we vacated the building except the first and tenth floors that were serviced by different air-conditioning units.

Senator MORGAN. You refer to deficiencies in the firesafety equipment. What do you mean by that?

Mr. WENDEHACK. In the tower there was no way for the people to be able to get out of the building from the tower portion. In a fire, they would be literally trapped in the tower. That was one of the problems.

Mr. ZOELLNER. We are installing a fire sprinkler system throughout the building, and a new smoke detection system and communications system.

Senator MORGAN. Can the Dallas firefighting equipment reach the top of this building?

Mr. WENDEHACK. No, sir. The building would be 12 stories when the tower is removed and it cannot. Our proposed work items are consistent with the Southern Building Code, which Dallas comes under.

Senator MORGAN. From various comments in the prospectus, we got the impression the building is a structural and fire hazard, and maybe should be torn down.

Yet about $7 million, or more than half the estimated cost, is for modernization and maybe some frills that could be eliminated. Is it structurally deficient?

Mr. WENDEHACK. The building itself is a strong structural building. The interior of the building leaves very much to be desired insofar as the actual ceilings and floors and so forth. It is in need of an interior renovation in order to bring it up to acceptable office space.

In addition, the air-conditioning system and firesafety items, and handicapped items account for the rest of the cost.

Mr. ZOELLNER. We did do an economic analysis, and the analysis showed it would be more cost effective to renovate the building.

Senator MORGAN. How much per square foot is this going to cost?

Mr. WENDEHACK. Again, the gross square foot cost is $32.73 as compared to a construction index in that area of $64.22.

Senator MORGAN. I believe you told me none of the work in the 1972 prospectus had been done?

Mr. WENDEHACK. That is correct.

Senator MORGAN. The increase over 1972 is 64 percent. That is an awful lot.

Mr. WENDEHACK. There was a complete change in scope here because of a number of factors. One, we had to move the people out. In the original prospectus, I believe, only approximately 50 percent of the space was to be modernized.

This includes doing the entire building. It also includes putting in additional firesafety to meet the code, the whole new air conditioning system, plus some escalation, of course, since this period of time.

Senator MORGAN. Have any of the funds requested here been included in the fiscal year 1976 or 1977 budget?

Mr. WENDEHACK. No, sir. The money for this work would be requested, we hope, in 1978.

Senator MORGAN. Has OMB reviewed this?

Mr. WENDEHACK. No; because it did not exceed the $10 million original amount.

Mr. ZOELLNER. Senator, they did receive a courtesy copy.

Senator MORGAN. I meant for approval.

Mr. WENDEHACK. Once this work is done, we will be saving a considerable amount of lease space and have a cost saving of leasing money as a result of moving them into Government space.

[The prospectus follows:]

PROSPECTUS NUMBER: PTX00583
BUILDING NUMBER : TX0058DA

PROSPECTUS FOR PROPOSED ALTERATION
UNDER THE PUBLIC BUILDINGS ACT OF 1959, AS AMENDED

FEDERAL BUILDING
1114 Commerce Street DALLAS, TEXAS

1. SUMMARY OF PROPOSED PROJECT:

This prospectus provides for the conversion and major repairs which should be undertaken at this building for its continued use in providing adequate housing for Federal agencies. Major items to be provided include converting floors one through ten, demolishing floors 13 through 19, installing firesafety items, installing a new airconditioning and heating distribution system, and replacing the existing windows. This work is to be accomplished within five years after approval of this prospectus. It does not include (1) the day-to-day preventive maintenance and recurring maintenance repairs which must be undertaken annually to keep the building in a tenantable condition, (2) alterations to the building and its equipment which may be occasioned by future space reassignments which cannot be identified at this time, and (3) repairs and replacements which may be occasioned by an emergency or breakdown which interrupts use of the building.

2. ESTIMATED MAXIMUM COST:

Previously approved prospectuses (July 1961 and September 1972)	$ 7,211,000
Additional authorization requested	4,631,296
Revised total estimated maximum cost	$11,842,296
Obligations - previous prospectus	810,796
Balance required for uncompleted work	$11,031,500

3. COMPREHENSIVE PLAN:

a. DESCRIPTION AND JUSTIFICATION OF WORK:

All of the projects proposed in the first prospectus have been completed. None of the projects proposed in the second prospectus have been completed. Due to the unexpected increase in construction cost, the continuing deterioration of the building, its functional obsolescence, an apparent occupational health problem, and the deficiencies in firesafety features, the scope of the second prospectus was reevaluated. This prospectus is being submitted to complete the work of the second prospectus and to accomplish the projects due to the change in scope of the second prospectus.

The total conversion of the first floor through the tenth floor, from laboratory and former warehouse space, to modern office space will be accomplished. An energy analysis will be performed to investigate the various options for minimizing the energy required for future operation of the building. Those items which are found to be most energy effective and which have the greatest return on investment will be installed. The

PROSPECTUS NUMBER: PTX00583
BUILDING NUMBER : TX0058DA

"Energy Conservation Guidelines for Existing Office Buildings" will be used for the analysis and design of modifications. Office space will be upgraded by the installation of a fire retardant, suspended, integrated ceiling system with reduced ceiling heights and task oriented lighting utilizing high efficiency light sources and luminaires. Restroom modernization will include the replacement of all old toilet fixtures which are presenting maintenance problems. The tower portion of the building (floors 13 through 19), providing 40,000 square feet of space usable only for storage, will be demolished. A cost benefit analysis indicated that it is more cost effective to demolish the tower and lease 40,000 square feet of office space, than to repair the exterior structure, replace deteriorated windows, in general make the tower safe and upgrade the interior. The cost ratio of the demolition and leasing alternative to alteration is 0.71 to 1.00.

The building will be modified to remove architectural barriers and make it accessible for the physically handicapped. Handicapped items to be provided include lowered water fountains, telephones, elevator controls, and special toilet facilities, all in accordance with P.L. 90-480.

Firesafety items that are required include installing a fire sprinkler system, a new fire alarm and smoke detection system, a communications system that can provide verbal instructions to the building occupants, a fire capture feature in the elevators, the rebuilding of two stairways including the provision of firesafe areas around the stair landings to provide a continuous firesafe area of egress.

The installation of 6" piping for steam and 10" piping for chilled water is required to provide steam and chilled water from existing equipment in the Federal Building and Courthouse located at 1100 Commerce Street to the new air handlers and fan coil units. These air handlers and fan coil units are the major components in the installation of a new heating and cooling distribution system. All the windows in the building need replacing. Both the wooden windows and the metal frame windows have deteriorated and will be replaced with anodized aluminum windows that will contribute to the conservation of energy.

See attached Exhibit A.

This building was constructed in 1928 as a combination office building and warehouse. The building consists of 19 floors and has a gross area of 404,000 square feet and an occupiable area of 260,000 square feet. When the prospectus projects are completed the building will be reduced to 12 stories with a gross area of 337,000 square feet and an occupiable area of 220,000 square feet.

On December 27, 1973, the Public Health Clinic at 1114 Commerce Street was advised by the Scott and White Clinic of Temple, Texas, that they had diagnosed an Internal Revenue Service employee's illness as hyper-

sensitivity pneumonitis, which is caused by allergies usually found in air distribution ducts. This building is connected by crossovers to the newer Federal Building - Courthouse located at 1100 Commerce Street; however, no evidence of contaminants exists in the new building. This tends to confirm that the allergies are present in the old spray coil type airconditioning system in the 1114 Commerce Street building. The building has been vacated of all employees with the exception of agencies on the first floor and the DEA Laboratory on the tenth floor which will be relocated when construction begins. During the period that these two floors will remain occupied, the areas will be provided with heating, ventilation and airconditioning from two separate existing systems. A package unit serves the DEA Laboratory and a rebuilt air handler serves the first floor.

There are approximately 7,608 employees housed in 916,557 square feet of Government-owned space and 681,848 square feet of leased space in Dallas, Texas. After completion of the repairs and alterations, this building will provide 220,000 occupiable square feet of first class space for approximately 1,200 employees. Therefore, for the foreseeable future, this building will be an essential part of the comprehensive space plan for housing the Federal population of this area.

b. DISCUSSION OF ALTERNATIVES:

(1) Replace the building with a new modern structure.

It is estimated that it would cost $23,541,000 to replace the building, including the site, if construction were started in FY 1976. The cost ratio of this alternative to altered space is 1.84 to 1.00.

(2) Provide a similar amount of space in a modern leased building.

The cost ratio of this alternative to altered space is 1.14 to 1.00. The cost of this project can be amortized in less than six years when compared with approximately $1,980,000 annual rental necessary to provide leased space for those agencies now housed in the building.

(3) Proceed with the conversion and major repairs project.

Because of the above ratios it is more economical to proceed with the proposed conversion and major repairs project. The projects proposed in this prospectus will ensure the continued productive use of this building on an economical basis, and this is considered the most feasible of the several alternatives considered for satisfying the Federal space needs of this location.

PROSPECTUS NUMBER: PTX00583
BUILDING NUMBER : TX0058DA

4. ENVIRONMENTAL DATA:

In the development of this project, studies will be made to determine that the project will be accomplished in strict compliance with the purposes and intent of Executive Order 11514 "Protection and Enhancement of Environmental Quality" and will comply with the requirements of Section 102(2)(c) of the National Environmental Policy Act of 1969 (P.L. 91-190), as amended, and the guidelines prescribed by the Council on Environmental Quality.

5. CURRENT HOUSING COST:

	Occupiable Area	Annual Cost
Operation, Maintenance and Upkeep Costs	220,000 sq. ft.	$389,840

6. COMPREHENSIVE HOUSING PLAN:

Due to the almost total evacuation of this building before the alteration work begins, a proposed housing plan is attached to show the occupancy after completion of the prospectus projects.

See attached Exhibit B.

7. PRESENT VALUE ANALYSIS:

Cost Effectiveness Ratio

$$\frac{\text{Leased Space}}{\text{Altered Space}} = \frac{\$17,439,640}{\$15,302,840} = 1.14 \text{ (Leasing)}$$

$$\frac{\text{Construction}}{\text{Altered Space}} = \frac{\$28,194,862}{\$15,302,840} = 1.84 \text{ (Construction)}$$

8. STATEMENT OF NEED:

It has been determined that other suitable space owned by the Government is not available, and that suitable rental space is not available at a price commensurate with that to be afforded through the proposed action.

Submitted at Washington, DC, on APR 13 1976

Recommended: _____ MAR 29 1976
Commissioner, Public Buildings Service

Approved: _____
Administrator of General Services

PROSPECTUS NUMBER: PTX00583
BUILDING NUMBER : TX0058DA

SUPPLEMENTAL DATA

PROSPECTUS FOR PROPOSED ALTERATION

PROJECT UNDER THE PUBLIC BUILDINGS ACT OF 1959, AS AMENDED

Federal Building
1114 Commerce Street — Dallas, Texas

1. Building Statistical Information

Date Built:	1928	
Site Area:	63,500	Sq. Ft.
Building Area Gross: (after prospectus work)	337,000	Sq. Ft.
Occupiable Area: (after prospectus work)	220,000	Sq. Ft.
Spaces for Government-owned or for official cars	None	
Spaces for the handicapped	None	
Spaces for visitors or contractors	None	
Spaces for employee car pools	None	
Spaces for other employees	None	
Acquisition Cost of Land and Building:	2,920,000	
Replacement Cost:		
Construction	20,318,218	
Sites and Expenses	3,222,782	
Number of Employees in Building:	1,221	
Annual Cost of Operation, Maintenance, and Upkeep:	$389,840	
Useful Life, Renovated Building:	30	Years
Useful Life, New Building:	50	Years

2. Cost Data

Previously approved prospectuses (July 1961 and September 1972)	$ 7,211,000
Additional authorization requested	4,631,296
Revised total estimated maximum cost	$11,842,296
Obligations - previous prospectus	810,796
Balance required for uncompleted work	$11,031,500

PROSPECTUS NUMBER: PTX00583
BUILDING NUMBER : TX0058DA

Cost of the project = $11,031,500 / $ 220,000 = $50.14/OSF

Cost of this project and previous projects = $11,842,296 / $ 220,000 = $53.83/OSF

Cost Effectiveness Ratio

Leased space / Altered space = $17,439,640 / $15,302,840 = 1.14 (Leasing)

Construction / Altered space = $28,194,862 / $15,302,840 = 1.84 (Construction)

Exhibit A

BUILDING NAME	ADDRESS	NUMBER
Federal Building	1114 Commerce Street, Dallas, Texas	TX0058DA

DESCRIPTION OF WORK.	1ST PROSPECTUS			2ND PROSPECTUS			PROPOSED PROSPECTUS
	AUTHORIZED	OBLIGATED	UNOBLIGATED BALANCE	AUTHORIZED	OBLIGATED	UNOBLIGATED BALANCE	CURRENT ESTIMATE
*Convert, Modify, and Install Elevators	600,000	591,796	8,204	175,000	-	175,000	474,900
Modernize Electrical Distribution System	124,000	124,000	-				1,064,400
*Convert Lab. and Former Whse. Space	25,000	25,000	-	170,204	-	170,204	598,000
Replace Hot and Cold Water Piping	70,000	70,000	-	-	-	-	201,600
*Install Heating and A/C Distribution Sys.				2,160,000	-	2,160,000	2,255,000
Modernize Restrooms				180,000	-	180,000	156,800
*Modernize Corridors				60,000	-	60,000	433,700
*Install Suspended Ceilings and							
Fluorescent Lights				50,000	-	50,000	1,355,700
*Install New Floor Covering				15,000	-	15,000	358,400
Modernize Exterior (windows, joints,							
facing)				2,550,000	-	2,550,000	509,600
*Install Crossovers to New Building				36,000	-	36,000	55,300
Rebuild two Stairways including the							
provision of Firesafe Areas around							
the Stair Landings.							645,100
Install Fire Alarm, Smoke Detection and							
Communication System							246,400
Install Sprinkler System							451,000
Install Building Security System							68,100
Demolish Floors 13 Through 19							460,500
Interim Occupancy							451,000

Exhibit A (Cont'd)

BUILDING NAME	ADDRESS	NUMBER
Federal Building	1114 Commerce Street, Dallas, Texas	TX0058DA

DESCRIPTION OF WORK	1ST PROSPECTUS			2ND PROSPECTUS			PROPOSED PROSPECTUS
	AUTHORIZED	OBLIGATED	UNOBLIGATED BALANCE	AUTHORIZED	OBLIGATED	UNOBLIGATED BALANCE	CURRENT ESTIMATE
Repair Roof							116,500
Provide Handicapped Facilities							21,100
Design and Supervision				1,004,000	-	1,004,000	1,108,400
Total	819,000	810,796	8,204	6,400,204	-	6,400,204	11,031,500
Total Authorized 1st Prospectus	819,000						
Total Obligated 1st Prospectus		810,796					
Total Unobligated 1st Prospectus			8,204	-8,204			
Total Authorized 2nd Prospectus				6,392,000			
Total Obligated 2nd Prospectus					-		
Total Unobligated 2nd Prospectus						6,400,204	-6,400,204
Additional Authorization Requested							4,631,296
*Work previously authorized but not completed.							

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EXHIBIT B

Federal Building	1114 Commerce Street, Dallas, Texas	Number TX0058DA
Department or Agency	Personnel	Occupiable Area (Sq. Ft.)
Department of Commerce	36	7,622
Department of Housing and Urban Development	315	64,229
Action	67	10,872
Internal Revenue Service	102	15,702
Department of Justice	238	31,566
Department of Defense	35	3,797
Defense Contract Administration South Region	604	75,208
Federal Trade Commission	28	6,399
Space for expansion		4,605
Total	1,425	220,000

This is a tentative housing plan and it shows the tenants(and the approximate occupiable areas) that will move from leased locations into the altered building.

JOHN W. M'CORMACK POST OFFICE AND COURTHOUSE, BOSTON, MASS.

Senator MORGAN. Let's go on to the John McCormack Post Office and Courthouse in Boston. Is that a fairly new building?

Mr. WENDEHACK. No, sir, that was constructed in 1933.

Senator MORGAN. What do you propose to do here?

Mr. WENDEHACK. This request is for $4,267,000 of additional authorization to provide for the finishing of pointing of the interior masonry walls, courtroom alterations, upgrading of office space, installation of firesafety items, modernization of toilets, replacement of the floor, refurbishing of the doors and windows, and an energy analysis to investigate ways as we are altering the building to provide for more efficient utilization of energy resources.

Senator MORGAN. When was the original estimate made? It's gone up since it was approved in 1962. Isn't that right?

Mr. WENDEHACK. Yes. The original prospectus was approved in April 1962, and a lot of that work has been done. There is a considerable amount of additional work that has been added since that time.

The original work provided for pointing and caulking part of the building exterior. It included interior painting, some floor repairs of a minor degree to try and take care of repairs that were a problem at that point. Roof repairs, sidewalk repairs, and some toilet rooms modernization that was not completed.

Under the new prospectus, we are, of course, proposing the replacement of all the flooring, installing firesafety items, including new stairwells on the 17th to 22d floors, improving the firesafety in the corridors because of the flammability of partitions and so forth, and the fact that there are no fire doors.

The refurbishing of the windows and doors, hardware, as I mentioned, and performing an energy analysis, and including new lighting and ceilings in the space.

Senator MORGAN. You don't have anything shown in the estimate for painting. You had $100,000 in the 1962 proposal.

Mr. WENDEHACK. As far as painting?

Senator MORGAN. Yes.

Mr. WENDEHACK. We have not included painting in the more recent prospectuses because of the fact we felt in discussions with your staff that where that type of work was a recurring maintenance and repair it should not be included in the prospectuses. We have to do it regardless.

Senator MORGAN. Where is the money coming from?

Mr. WENDEHACK. Regular appropriations for maintenance and minor repair.

Senator MORGAN. What do you call it?

Mr. WENDEHACK. Cyclic painting.

Senator MORGAN. That is going to be a new job. When you award a contract, won't painting be included?

Mr. WENDEHACK. We do the painting in corridor spaces on a 3-year cycle; in offices on a 5-year cycle. We normally do that as a separate part of the job.

In this case it will be tied into partition work, but normally on a cyclic basis we would let the painting as it comes up.

Mr. ZOELLNER. One-fifth every year on the interior.

Senator MORGAN. How much?

Mr. ZOELLNER. One-fifth. It's a 5-year cycle.

Senator MORGAN. Is all that done by contract?

Mr. WENDEHACK. Depends on the area of the country. On most of our cases we let it out under contract to the private sector.

Senator MORGAN. You probably get it done cheaper by contract than if you tried to do it yourself.

Mr. WENDEHACK. It depends on location and how hungry the contractors are.

Senator MORGAN. It has been my experience that a contract is cheaper because, when you total up all the salaries we pay, and the fringe benefits which the private contractor is not necessarily obligated to, it costs more.

Mr. WENDEHACK. The majority of our cycle painting is done by contract.

Senator MORGAN. I am sure you have to have some maintenance painting.

What about air-conditioning? In 1962 GSA estimated $1.7 million for that. You don't show any now. Is the air-conditioning all right?

Mr. WENDEHACK. We obligated $1,068,000 for air-conditioning.

Senator MORGAN. The estimate shows nearly $1 million for energy conservation measures. What are these?

Mr. WENDEHACK. There is an energy analysis in there, plus that also includes the lighting work that they have thrown together as one lump sum.

Mr. ZOELLNER. That is an estimate. You perform an energy analysis and do whatever work that needs to be done. Experience has shown us normally 10 to 20 percent of the total prospectus request should be estimated. We don't know the exact cost until the analysis has been accomplished.

Mr. WENDEHACK. Nor do we necessarily do all the work recommended by the energy analysis.

Senator MORGAN. Who makes that?

Mr. WENDEHACK. Normally, we let a contract to have an energy analysis made. We get a series of recommendations set up in order of how quickly they will be able to amortize themselves.

For amortization in a 5-year period, we will go ahead and perform that project. However, let's say they recommend putting in storm windows. The cost may be so prohibitive that the savings will take 30 years to save the energy, so there we won't proceed with that project.

Senator MORGAN. What sort of firm does that kind of contract work?

Mr. WENDEHACK. A lot of consultants on the outside. Our construction people let the contracts.

Senator MORGAN. You may have seen a new book, "Government by Consultants." It is just out and talks about the billions of dollars the Federal Government wastes by using consultants.

Mr. WENDEHACK. I think in this case it is working out very well for us. We have just started on this. We have a 10-year program outlined on energy, and to date we have made analyses in about 10 or 11 buildings.

Of the recommendations we are getting, as I say, some of them are very cost effective and others have a long payback period. But the net result we are getting, I feel, so far, are good recommendations from our contractors.

Senator MORGAN. When you get this kind of service from regular established consultants or contractors, it doesn't bother me so much. But when I see firms set up solely to be consultants to the Federal Government, it does worry me.

Mr. WENDEHACK. We are not going to generalists in this thing, but specialists who know their business. And we also have our own engineers who look and make sure we are getting our money's worth.

Senator MORGAN. How has building maintenance normally been funded through the years?

Mr. WENDEHACK. As a regular appropriation, lent a separate category. It comes out of the Federal Building Fund, but is entitled "Real Property Operations." Real property operations covers cleaning and mechanical, operating engineers, et cetera.

Senator MORGAN. How much longer does GSA propose to use this particular building?

Mr. WENDEHACK. Another 30 years, at least. It is in a category of indefinite retention after alteration work.

Senator MORGAN. Why do we program such short life spans? Isn't this one steel construction?

Mr. WENDEHACK. It is a well-constructed building. We use 30 years or an indefinite period as a talking figure, but have no intentions whatsoever of getting rid of the building at this time. It is indefinite retention on the building.

Senator MORGAN. Could this work be deferred without jeopardizing the building, or could any be eliminated?

Mr. WENDEHACK. Of the items we have got in here, I know of none. As I say, the fire safety items are in accordance with, again, the requirements of the local code, which I believe is the Massachusetts Building Code. The handicapped requirements are consistent with the handicapped requirements.

The floor work, as I mentioned, is the original flooring that was in the building when installed back in 1933. It is an old linoleum-type flooring. It is wornout. The package we are proposing, I feel, is a good project.

Senator MORGAN. The prospectus refers to graphic displays. What is that?

Mr. WENDEHACK. That is terminology put in by construction people. It is door signs and signs for the building occupants so the public can find their way in the building.

Senator MORGAN. How much will these cost?

Mr. ZOELLNER. $10,000. The figure shown includes office space renovation work, and it was lumped into that $790,000. There is only about $10,000 in there for the signs needed for the building.

Senator MORGAN. What about the communications system?

Mr. WENDEHACK. I believe you are referring to firesafety emergency system. That is notification for evacuation of the building.

Senator MORGAN. A loudspeaker system or public address system?

Mr. WENDEHACK. Yes. We will be able to contact people and tell them there is a fire on the 15th floor, you are instructed to go to such and such and do this.

Senator MORGAN. The estimate includes another item, office excellence and graphic display system, which will cost almost a million dollars.

Mr. WENDEHACK. Office excellence is a term that was created to describe open-space planning, and that would include, as I mentioned,

the opening of the space to provide better utilization of the space to utilize free-standing partitions instead of floor-to-ceiling partitions. And with this kind of space you can make alterations as agencies change and needs change. You don't have to tear down all the partitions again. You can just move temporary partitions.

Senator MORGAN. I agree, but we sure have to trust and have a lot of confidence in GSA.

Mr. WENDEHACK. Whether it sounds fancy on the surface, I think in the long run it will save the Government a lot of money. I have been appalled in my years with GSA at the amount of money spent by agencies constantly altering space.

Senator MORGAN. I believe in the concept, and tend to encourage it. But we just feel helpless when given a figure like this and don't know what it is for.

Mr. ZOELLNER. To give you an example of a building here in Washington, in which we intended to go open-space. We found approximately $1 million a year has been spent in that building to make space alterations. We feel we can save about 70 percent of the cost by going to open-space concept. It is a considerable savings.

Senator MORGAN. I don't suppose we have time this morning to go into details of figuring the noise level and so forth, because we have got to quit at 10. But sometime I would like to know how this concept is working out, with regard to noise levels and working conditions generally.

[The prospectus follows:]

PROSPECTUS NUMBER: PMA00132
BUILDING NUMBER : MA0013ZZ

PROSPECTUS FOR PROPOSED ALTERATION
UNDER THE PUBLIC BUILDINGS ACT OF 1959, AS AMENDED

JOHN W. McCORMACK POST OFFICE AND COURTHOUSE BOSTON, MASSACHUSETTS

1. SUMMARY OF PROPOSED PROJECT:

This prospectus provides for alterations and major repairs which should be undertaken in this building for its continued use in providing adequate housing of Federal agencies. Major items of work to be provided include the pointing of the exterior masonry walls, courtroom alterations, upgrading for office excellence, including a graphic display system, installation of numerous firesafety items, modernization of toilets, installation of new acoustic ceilings and handrails, replacement of flooring, refurbishing of door hardware and windows, and installation of an emergency communication system and an emergency generator. The above items are programed to be completed within five years after approval of the prospectus. It does not include (1) the day-to-day preventive maintenance and recurring maintenance repairs which must be undertaken annually to keep the building in a tenantable condition, (2) alterations to the building and its equipment which may be occasioned by future space reassignments which cannot be identified at this time, and (3) repairs and replacements which may be occasioned by an emergency or breakdown which interrupts use of the building.

2. ESTIMATED MAXIMUM COST:

Previously approved prospectus (April 1962)	$2,483,000
Additional authorization required	4,267,600
Revised total estimated maximum cost	$6,750,600
Obligations - previous prospectus	- 2,450,600
Balance required for uncompleted work	$4,300,000

3. COMPREHENSIVE PLAN:

a. DESCRIPTION AND JUSTIFICATION OF WORK

Increases in construction costs and the lack of funding when projects were scheduled have prevented the completion of work contemplated within the authority remaining under the present prospectus authorization.

See attached Exhibit A.

Furthermore, the need for additional alterations and major repairs have developed since the previous prospectus was approved. The exterior masonry wall and parapet mortar joints which have become cracked, thereby creating water leakage into the building, will be pointed under this prospectus. Also, existing toilets will be modernized including the replacement of difficult to maintain cracked, clay tile floors and

PROSPECTUS NUMBER: PMA00132
BUILDING NUMBER : MA0013ZZ

the replacement of urinals, water closets and lavatories, which are hard to maintain and difficult to keep sanitary. Upgrading of poor quality office space will include the installation of modern energy saving task oriented lighting, the lowering of 12 foot ceiling levels to eight feet, thereby reducing energy losses, and improving the ventilating system in this space, and other improvements as determined by an energy analysis. Circuit Court of Appeals Courtroom No. 7 will be renovated to include the rearrangement of the jury box and judge's stand in accordance with the requirements of the U.S. Courts.

Firesafety items include the construction of an additional stairway to allow the occupants of floors 17 through 22 safe access to the emergency evacuation routes in the remainder of the building, and the installation of an airconditioning duct damper system to control the spread of fire through the air distribution system. Further, corridor fire doors will be installed to retard the spread of fire during an emergency situation, an emergency communication system will be provided to permit better control of the evacuation of the building occupants in emergency situations, new fire retardant acoustic ceiling tile will be installed to replace present ceiling tiles which are not fire retardant, and an emergency generator will be installed to provide for the operation of one elevator and emergency lights during an emergency situation.

Additional handrails will be installed in hazardous high traffic passage areas. Vinyl floor tile will be installed over the remaining hardwood floors for improved appearance and easier maintenance. Door hardware will be refurbished to improve its tarnished appearance and the ball bearing hinges which have deteriorated from age, will be replaced. The refurbishing of the original building windows will include weatherstripping to reduce energy losses.

Handicapped facilities are considered adequate at this building and no further handicapped work is scheduled at this time.

This building is a 22 story masonry structure which was attractively designed and stands out prominently among surrounding properties. It was constructed in 1933 and provides an occupiable area of 389,380 square feet of space principally occupied by the U.S. Courts, U.S. Postal Service, General Services Administration, and the Department of the Interior. There are approximately 2,285 employees housed in this building. Despite its age, this building is structurally sound and will provide an essential part of the comprehensive space plan for housing the Federal population of this area for the foreseeable future.

b. DISCUSSION OF ALTERNATIVES:

(1) Replace the building with a new modern structure.

It is estimated that it would cost approximately $52,591,800 to replace this building, if construction was started in FY 76. The cost ratio of this alternative to altered space is 2.75 to 1.00.

PROSPECTUS NUMBER: PMA00132
BUILDING NUMBER : MA0013ZZ

(2) Provide a similar amount of space in a leased building.

The cost ratio of this alternative is .89 to 1.00. This alternative is not considered desirable since this is a monumental building, structurally sound, well located in the business district and capable of efficiently serving the housing needs of Federal agencies for another 30 years.

(3) Proceed with the alterations and major repairs project.

The work proposed in this prospectus will ensure the continued productive use of this building on an economical basis, and this is considered the most feasible of the several alternatives considered for satisfying the Federal space needs of this location.

4. ENVIRONMENTAL DATA:

In the development of this project, studies will be made to determine that the prospectus will be accomplished in strict compliance with the purposes and intent of Executive Order 11514 "Protection and Enhancement of Environmental Quality" and will comply with the requirements of Section 102(2)(c) of the National Environmental Policy Act of 1969 (P.L. 91-190), as amended, and the guidelines prescribed by the Council on Environmental Quality.

5. CURRENT HOUSING COST:

	Occupiable Area	Annual Cost
Operation, Maintenance and Upkeep Costs	389,380 sq.ft.	$1,264,122

6. COMPREHENSIVE HOUSING PLAN:

This is basically an alterations and major repairs project. There will be no major movement of personnel in this building.

See attached Exhibit B.

PROSPECTUS NUMBER: PMA00132
BUILDING NUMBER : MA0013ZZ

7. PRESENT VALUE ANALYSIS:

Cost Effectiveness Ratio

Leased Space / Altered Space	=	$20,599,500 / $23,157,600	=	.89 (Leasing)
Construction / Altered Space	=	$63,622,800 / $23,157,600	=	2.75 (Construction)

8 STATEMENT OF NEED:

It has been determined that other suitable space owned by the Government is not available and that leasing space is an undesirable alternative; therefore, as discussed in paragraph 3.b, above, the only viable alternative is to proceed with the proposed alterations and major repairs.

Submitted at Washington, DC, on _____

Recommended: _____
Acting Commissioner, Public Buildings Service

Approved: _____
Administrator of General Services

PROSPECTUS NUMBER: PMA00132
BUILDING NUMBER : MA0013ZZ

SUPPLEMENTAL DATA

PROSPECTUS FOR PROPOSED ALTERATION

PROJECT UNDER THE PUBLIC BUILDINGS ACT OF 1959, AS AMENDED

1. Building Statistical Information

Date Built:	1933
Site Area:	48,614 sq. ft.
Facility Area Gross:	674,962 sq. ft.
Occupiable Area:	389,380 sq. ft.
Parking Spaces:	TOTAL: 22
Spaces for Government-owned or for official cars	22
Spaces for the handicapped	0
Spaces for visitors or contractors	0
Spaces for employee car pools	0
Spaces for other employees	0
Acquisition Cost of Land and Buildings:	$ 7,266,000
Replacement Cost:	
Construction	$42,831,800
Sites and Expenses	$ 9,760,000
Number of Employees in Building:	2,285
Annual Cost of Operation, Maintenance and Repair:	$ 1,264,122
Useful Life, Renovated Buildings:	30 years
Useful Life, New Buildings:	50 years

2. Cost Data

Previously approved prospectus (APRIL 1962)	$2,483,000
Additional authorization requested	$4,267,600
Revised total estimated maximum cost	$6,750,600
Completed prospectus work	- $ 2,450,600
Balance required for uncompleted work	$4,300,000

Cost of This Project - $\frac{\$4,300,000}{389,380 \text{ OSF}}$ = $11.04/OSF

Cost of This Project and Previous Prospectus Projects - $\frac{\$6,750,600}{389,380 \text{ OSF}}$ = $17.34/OSF

Cost Effectiveness Ratio

$\frac{\text{Leased Space}}{\text{Altered Space}} = \frac{\$20,599,500}{\$23,157,600} = .89$ (Leasing)

$\frac{\text{Construction}}{\text{Altered Space}} = \frac{\$63,622,800}{\$23,157,600} = 2.75$ (Construction)

EXHIBIT "A"

BUILDING NAME	ADDRESS	NUMBER
John W. McCormack PO-CT	Boston, Massachusetts	MA0013ZZ

DESCRIPTION OF WORK	1ST PROSPECTUS			2ND PROSPECTUS			PROPOSED PROSPECTUS
	AUTHORIZED	OBLIGATED	UNOBLIGATED BALANCE	AUTHORIZED	OBLIGATED	UNOBLIGATED BALANCE	CURRENT ESTIMATE
Point, Caulking Building Exterior *	$281,500	$281,500					$714,000
Interior Painting	110,000	110,000					
Floor Repair	36,500	52,000	(15,500)				
Roof Repair	44,000	74,000	(30,000)				
Sidewalk Repair *	13,000	--	13,000				
Toilet Room Modernization *	20,000	--	20,000				275,000
Airconditioning Improvements	1,730,000	1,685,100	44,900				
Design & Supervision	248,000	248,000	------				
Office Excellence & Graphic Display System							794,000
Courtroom Alterations							90,000
New Stairwell 17-22 fls							97,000
Corridor Fire Doors							150,000
Emergency Communications System Installation							135,000
AC Duct - Fire Dampers							200,000
Handrails for Stairway							50,000
Replace Floor Covering							400,000
Refurbish Door Hardware							95,000
Refurbish Windows							100,000
Emergency Generator Installation							350,000

ANNEX A" (1.82)

BUILDING NAME	ADDRESS	NUMBER
John W. McCormack PO-CT	Boston, Massachusetts	MA0013ZZ

DESCRIPTION OF WORK	1ST PROSPECTUS			2ND PROSPECTUS			PROPOSED PROSPECTUS
	AUTHORIZED	OBLIGATED	UNOBLIGATED BALANCE	AUTHORIZED	OBLIGATED	UNOBLIGATED BALANCE	CURRENT ESTIMATE
Analyze Building for Energy Conservation							
Measures and Install Equipment Identified							
By the Analysis Including Acoustic							
Ceilings & Task Oriented Lights							850,000
Totals (First Prospectus Approved April 1962)	2,483,000	2,450,600	32,400				4,300,000
Carry Over From First Prospectus							- 32,400
Additional Authority Required							4,267,600
* Authorized but Not Completed							

EXHIBIT "B"
Comprehensive Housing Plan

Building Name	Address	Number
John W. McCormack PO-CT	Boston, Massachusetts	MA001322

Department or Agency	Personnel	Occupiable Area (Sq. Ft.)
General Services Administration	585	94,183
U.S. Postal Service	1,002	115,746
Department of Agriculture	20	3,064
C.S. Retirement Board	8	1,629
Dept. of Health, Education, and Welfare	29	2,896
Govt. Printing Office	7	1,139
Department of Interior	144	19,044
Department of Justice	96	23,214
Department of Treasury	2	1,861
Department of Transportation	2	879
U.S. Courts	161	80,826
House of Representatives	3	3,266
Civil Service Commission	205	22,765
Vacation	21	7,900
GSA Joint Use	0	10,968
TOTALS	2,285	389,380

FEDERAL TRADE COMMISSION, WASHINGTON, D.C.

Senator MORGAN. Let's see if we have time to do the FTC propectus. This requests a $3.1 million increase over the authorization given in 1962. Most of the original work, apparently, has been completed.

Mr. WENDEHACK. That is correct.

Senator MORGAN. What do you propose to do there? I see the building is 37 years old.

Mr. WENDEHACK. Constructed in 1938. Of course, it is a monumental construction, as you are aware.

The request is $3,118,900 for cleaning and repair of the exterior surfaces, installation of firesafety items, modernization of office space, conversion of manually operated elevators to automatic operation.

Senator MORGAN. What are you going to do with the people who now operate those elevators?

Mr. WENDEHACK. In Washington we have the ability to transfer through attrition our elevator operators. It is taking care of itself as we convert, and we very quickly amortize the cost.

But attrition takes care of the problem by moving operators to another location.

In addition, it includes modernization of the rest rooms; again, performance of an energy analysis.

Senator MORGAN. I have got about 15 more written questions here, which I am going to turn over to you for answering. Since the Senate leadership has requested no meetings continue beyond 10 a.m., I think I should try to keep within the spirit and adjourn this one.

Mr. WENDEHACK. We will provide the answers to you.

Senator MORGAN. Submit them and I will put them in the desk drawer along with the prospectuses.

[The questions referred to and the prospectus follow:]

FEDERAL TRADE COMMISSION

Question 1. The prospectus requests $3,118,900 additional authorization over that approved in 1962, revising the estimated total to more than $3.8 million. Is that correct?

Answer. The original prospectus, approved in April 1962, authorized a total of $717,000. This prospectus requests an additional authorization of $3,118,900 for newly identified work. Obligations to date have been $336,900. The balance required to complete previously and newly identified work is $3,499,000.

Question 2. The estimate includes a single line item for $2,255,000, or 64 percent of the total, for new ceilings, lighting, and a graphic information system. What is that?

Answer. This amount will be used to modernize the building. The following are estimates for each portion of the modernization work: new acoustical ceilings—$420,000; new task oriented lighting—$1,029,000; floor covering—$414,000; graphic information system—$50,000; and demolition and free standing partitions to achieve the open office space layout—$342,000.

A graphic information system includes main lobby and floor directories, room and floor identification signs, and agency identification signs.

Question 3. Is it normal procedure to lump several increments of work into one line item, which represents more than half of the work involved? Can't we have a more detailed breakdown than that?

Answer. The individual portions of modernization projects have in the past been listed under a single title. In the future we will provide estimates for each segment of a modernization project. A detailed estimate of the portions of the modernization project was provided in response to question two.

Question 4. What does the graphic information system cost?

Answer. The estimated cost of the lobby and floor directories, floor and room identification signs, and agency identification signs is $50,000.

Question 5. What kind of floor covering is proposed, and what does that cost?

Answer. Carpeting will be installed as floor covering in office space at an estimated cost of $360,000. The carpeting is used in open office space layouts with free standing partitions to reduce noise levels. New, easy maintenance, vinyl asbestos floor tile will be installed in all corridors at a cost of $54,000.

Question 6. $412,000 or 12 percent of the total is to be spent on elevator conversions. What is that?

Answer. Three passenger and one manually operated freight elevator will be converted to automatic operation. Conversion of these elevators to automatic operation, at a cost of $284,000, will result in a savings of 6,246 person-hours annually or approximately $42,000 annually. In addition, $128,000 will be used to install a fireman's capture and emergency service feature on all eight elevators in the building.

Question 7. How many elevators are there to be converted, and why are some being converted and not others?

Answer. Four elevators are being converted to automatic operation at this time. The four other elevators in this building have previously been converted.

Question 8. How much does the fireman's capture system for elevators cost, and is that essential?

Answer. A fireman's capture system will be added to four elevators at a cost of $64,000. A like amount is included for a fireman's capture system in the amount for the conversion of the elevators from manual to automatic operation. GSA firesafety regulations and District of Columbia firesafety codes requires a fireman's capture systems for elevators.

Question 9. The prospectus notes, rather casually, that $133,000 will be spent on restroom alterations. How many restrooms are there and what is proposed?

Answer. The existing marble surfaces in 30 restrooms have become cracked, producing both unsightly and unsanitary surfaces. This condition will be corrected by the installation of easy maintenance ceramic tile surfaces.

Question 10. $342,000 is to be spent on cleaning and pointing the exterior stone surface. Shouldn't this be classed as routine maintenance on a continuing basis?

Answer. GSA has determined since the submission of this prospectus, that this work is of a recurring nature and will be eliminated from all future prospectuses.

Question 11. $332,000 is requested to perform an energy analysis and install equipment. What does this mean, and how much is for the analysis?

Answer. Of this total, $160,000 is for the purchase and installation of eight new air handlers to replace the existing 35 year old air handlers currently serving the building. The remaining $172,000 will be allocated as follows: $17,000 to perform an energy analysis and $155,000 to install identified energy retrofit equipment.

Question 12. $337,000 authorized by a previous prospectus has already been spent on modernizing air conditioning equipment. Now it is proposed to install 8 new energy efficient air handlers to replace present equipment. Why? What is going to be done?

Answer. Under the previous prospectus the modernization of the air-conditioning equipment consisted of the installation of a new chiller unit and repairs to the compressors and water fountain system. In the fourteen years since the previous prospectus was approved the eight air handlers serving the building have deteriorated to the point where they can no longer be operated economically. This prospectus proposes to correct this newly identified need by installing 8 new, energy efficient airhandlers.

Question 13. The prospectus notes that the present cost of maintenance and operation is $565,100 annually, or about $3.35 per sq. ft. Will the proposed work reduce this cost?

Answer. The conversion of the manually operated elevators to automatic operation will in itself reduce operations costs by $.25 per square foot or approximately 7%. In addition, the new lighting system will reduce electrical costs an estimated $5,100 per year.

Question 14. The prospectus makes a big issue of this building's historical importance. Why, when it was only constructed in 1938?

Answer. This monumental building is a major component of the Federal Triangle which has been placed on the National Register of Historic Places as contributing to architectural and cultural environment of the nation's capital.

Question 15. What aids to the handicapped exist now and what are proposed?

Answer. At the present time the following handicapped aids exist: entrance ramps, power operated doors, and two accessible restrooms.

Proposed under the prospectus are the following: lowered water fountains, lowered public telephone booths, additional accessible restrooms, and lowered elevator controls.

PROSPECTUS NUMBER: PDC00192
BUILDING NUMBER : DC0019ZZ

PROSPECTUS FOR PROPOSED ALTERATION
UNDER THE PUBLIC BUILDINGS ACT OF 1959, AS AMENDED

FEDERAL TRADE COMMISSION — WASHINGTON, DC

1. SUMMARY OF PROPOSED PROJECT:

This prospectus provides for alterations and major repairs which should be undertaken at this building for its continued use in providing adequate housing of Federal agencies. Major items to be provided include the modernization of elevators, office space, and restrooms; cleaning and repairing of the exterior surface; replacement of airhandlers; and the installation of required firesafety items to meet current GSA firesafety criteria. This work is to be accomplished within five years after approval of the prospectus. It does not include (1) the day-to-day preventative maintenance and recurring maintenance repairs which must be undertaken annually to keep the building in a tenantable condition, (2) alterations to the building and its equipment which may be occasioned by future space reassignments which cannot be identified at this time, and (3) repairs and replacements which may be occasioned by an emergency or breakdown which interrupts use of the building.

2. ESTIMATED MAXIMUM COST:

Previously approved prospectus (April, 1962)	$ 717,000
Additional authorization requested	3,118,900
Revised total estimated maximum cost	3,835,900
Obligations - previous prospectus	336,900
Balance required for uncompleted work	$3,499,000

3. COMPREHENSIVE PLAN:

a. DESCRIPTION AND JUSTIFICATION OF WORK:

Increases in construction costs and the lack of funding when projects were scheduled have prevented the completion of the work contemplated within the authority still available under the present prospectus authorization. (See attached Exhibit A). In addition, the need for additional extensive alterations and major repairs has developed since the approval of the previous prospectus. This prospectus is being submitted to accomplish the installation of eight new, energy efficient, airhandlers to replace the thirty-five year old, inefficient present airhandlers, thereby obtaining the capability of providing a comfortable working environment in this monumental-type building. Three passenger and one freight elevator will be converted from manual to fully automatic operation, thereby increasing efficiency and man-hour savings.

PROSPECTUS NUMBER: PDC00192
BUILDING NUMBER : DC0019ZZ

The building's exterior stone surface, which has become unsightly, will be cleaned and pointing will be performed on the parapet area to eliminate water leakage into the building. The tile walls and terrazzo floors in the existing restrooms are stained, cracked, and require excessive maintenance. Therefore, the restrooms will be modernized with ceramic tile which will provide easy maintenance-type surfaces. A fireman's capture system will be installed on elevators 4, 5, 6, and 7, thereby completing this required GSA firesafety item for this building's elevator system.

An energy analysis will be performed to investigate various options for minimizing the energy required to operate the building. Those items which are found to be most energy effective and having the greatest return on investment will be installed. The "Energy Conservation Guidelines for Existing Office Buildings" will be used for the analysis and design of modifications. Office space will be upgraded by the installation of fire retardant, suspended, integrated ceiling system with reduced ceiling heights and task oriented lighting utilizing high efficiency light sources and luminaires, and a graphic information and directional signage system for effective visual communication. The worm room and corridor floor covering will be replaced with a new easily maintained floor covering.

The building will be modified to remove Architectural barriers and make it accessible for the physically handicapped. Handicapped items to be provided include water fountains, toilets, telephones and lowered elevator controls, all in accordance with PL 90-480.

This building was constructed in 1938 and provides an occupiable area of 168,715 square feet. It is occupied by the Federal Trade Commission. There are approximately 140,461 employees housed in 31,931,084 square feet of Government-owned space and 115,822 employees housed on 26,562,794 square feet of leased space in the Washington, DC, metropolitan area. There are approximately 768 of these employees housed in this building. Despite its age, this building will provide an essential part of the comprehensive space plan for housing the Federal population of this area for the foreseeable future.

b. DISCUSSION OF ALTERNATIVES:

(1) Replace the building with a new modern structure.

This monumental building is a major component of the Federal Triangle and is listed in the National Register of Historic Places. Therefore, demolition of the building should not be considered. Also, the replacement cost of $17,676,200, including the site, precludes consideration of this alternative. The cost ratio of this alternative to altered space is 2.04 to 1.00.

(2) Provide a similar amount of space in modern leased space.

The cost ratio of this alternative is not applicable as it would not be practical to demolish or vacate this nationally historic building.

PROSPECTUS NUMBER: PDC00192
BUILDING NUMBER : DC0019ZZ

(3) Proceed with the alterations and major repairs project.

Because of the overriding consideration which must be given to the historical importance of this building, the proposed alteration project is the most feasible course of action. The projects proposed in this prospectus will ensure the continued productive use of this facility on an economical basis, and is considered the most feasible alternative to satisfying the Federal space needs at this location.

4. ENVIRONMENTAL DATA:

In the development of this project, studies will be made to determine that the project will be accomplished in strict compliance with the purposes and intent of Executive Order 11514 "Protection and Enhancement of Environmental Quality" and will comply with the requirements of Section 102(2)(c) of the National Environmental Policy Act of 1969 (P.L. 91-190), as amended, and the guidelines prescribed by the Council on Environmental Quality.

5. CURRENT HOUSING COST:

	Occupiable Area	Annual Cost
Operation, Maintenance and Upkeep Costs	168,715 sq.ft.	$565,100

6. COMPREHENSIVE HOUSING PLAN:

This is basically an alterations and major repairs project. There will be no major movement of personnel in the building.

See attached Exhibit B.

7. PRESENT VALUE ANALYSIS:

Cost Effectiveness Ratio

$$\frac{\text{Leased Space}}{\text{Altered Space}} \quad \text{Not applicable}$$

$$\frac{\text{Construction}}{\text{Altered Space}} = \frac{\$18,389,800}{\$\ 9,017,400} = 2.04 \text{ (Construction)}$$

PROSPECTUS NUMBER: PDC00192
BUILDING NUMBER : DC0019ZZ

8. STATEMENT OF NEED:

It has been determined that other suitable space owned by the Government is not available, and that leasing space is an undesirable alternative, therefore, as discussed in paragraphs 3b above, the only viable alternative is to proceed with the proposed alterations and major repairs.

Submitted at Washington, DC, on SEP 2 1975

Recommended: _____
Commissioner, Public Buildings Service

Approved: _____
Administrator of General Services

PROSPECTUS NUMBER: PDC00192
BUILDING NUMBER : DC0019ZZ

SUPPLEMENTAL DATA

PROSPECTUS FOR PROPOSED ALTERATION

PROJECT UNDER THE PUBLIC BUILDINGS ACT OF 1959, AS AMENDED

FEDERAL TRADE COMMISSION — WASHINGTON, DC

1. Facility Statistical Information

Date Built:	1938
Site Area:	78,648 sq.ft.
Facility Area Gross:	303,000 sq.ft.
Occupiable Area:	168,715
Parking Spaces:	
Spaces for Government-owned or for official cars	0
Spaces for the handicapped	0
Spaces for visitors or contractors	0
Spaces for employee car pools	58
Spaces for other employees	0
Acquisition Cost of Land and Buildings:	$2,142,234
Replacement Cost:	$17,676,200
Construction	9,684,200
Sites and Expenses	$7,992,000
Number of Employees in Facility:	768
Annual Cost of Operation, Maintenance and Repair:	565,100
Useful Life, Renovated Facility:	30 years
Useful Life, New Facility:	50 years

2. Cost Data

Previously approved prospectuses (April 1962)	$ 717,000
Additional authorization requested	3,118,900
Revised total estimated maximum cost	3,835,900
Obligations - previous prospectus	336,900
Balance required for uncompleted work	3,499,000

Cost of This Project - $\frac{\$3,499,000}{168,715\ OSF} = \$20.74/OSF$

Cost of This Project and Previous Prospectus Projects - $\frac{\$3,835,900}{168,715\ OSF} = \frac{\$22.74/}{OSF}$

Cost Effectiveness Ratio

$\frac{\text{Leased Space}}{\text{Altered Space}}$ = Not applicable

$\frac{\text{Construction}}{\text{Altered Space}} = \frac{\$18,389,800}{\$\ 9,017,400} = 2.04$ (Construction)

EXHIBIT A

BUILDING NAME	ADDRESS	NUMBER
FEDERAL TRADE COMMISSION	WASHINGTON, DC	DC0019ZZ

DESCRIPTION OF WORK	1ST PROSPECTUS (Approved April 1962)			2ND PROSPECTUS			PROPOSED PROSPECTUS
	AUTHORIZED	OBLIGATED	UNOBLIGATED BALANCE	AUTHORIZED	OBLIGATED	UNOBLIGATED BALANCE	CURRENT ESTIMATE
Renovations to building interior to include lighting, painting, & modernization of A/C system*	717,000	336,900	380,100				
Cleaning and pointing exterior stone surface							342,000
Perform energy analysis, install identified equip. & 8 air handlers.							332,000
Convert elevators 1, 2, & 3 to auto							250,000
Add firesafety controls to elevators 4, 5, 6, & 7							64,000
Convert freight elevator to automatic							98,000
Modernize restrooms							133,000
New ceiling, lighting, floor covering, new tile in corridors and a graphic information system							2,255,000
Prospectus totals	717,000	336,900	380,100				
Total authority required							3,499,000
Balance available							380,100
Additional authority requested							3,118,900

* Authorized but not completed

EXHIBIT 5

Comprehensive Housing Plan

Building Name	Address	Number
Federal Trade Commission	Washington, DC	DC0019ZZ

Department or Agency	Personnel	Occupiable Area (Sq. Ft.)
Federal Trade Commission	768	168,540
GSA	0	175
TOTAL	768	168,715

No change of personnel will take place as a result of this prospectus work.

Senator MORGAN. Do you have anything else?

Mr. WENDEHACK. No, sir, that is all.

Senator MORGAN. We stand adjourned.

[Whereupon, at 10 a.m., the subcommittee recessed, to reconvene subject to the call of the Chair.]

[Responses to written questions regarding prospectuses not discussed at today's hearing follow:]

GSA:PBS 8-6-76

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, DC 20405

August 26, 1976

Honorable Robert Morgan
Chairman, Subcommittee
on Buildings and Grounds
Committee on Public Works
United States Senate
Washington, DC 20510

Dear Senator Morgan:

This is in further response to your inquiry of July 19, 1976, concerning the Dirksen Federal Building Prospectus currently being considered by your Subcommittee.

We hope the enclosed information will be helpful. If we can be of further assistance, please contact us.

Sincerely,

Jack Eckerd
Administator

Enclosure

 Senate Minority

HEARING MATERIAL
Dirksen Building
Chicago, Illinois

QUESTION #1

What court facilities presently exist in the Dirksen building?

ANSWER #1

The court facilities for the Dirksen Building are as follows:

a. The U.S. District Courts presently occupy 185,173 square feet of space (measured by "occupiable" standard) consisting of the following:

- 18 Courtrooms (jury) - 41,275 sq. ft.
- 1 Courtroom (non-jury) - 500 sq. ft.
- 18 District Judges' suites - 29,580 sq. ft.
- 18 Petit Jury rooms - 8,498 sq. ft.
- 18 Witness rooms - 5,130 sq. ft.
- 8 Attorney consultation rooms - 2,280 sq. ft.
- 5 Grand Jury suites - 6,780 sq. ft. (includes witness rooms, toilets, and support space)
- 7 Bankruptcy Courts - 14,524 sq. ft. (figure includes 7 Referees' hearing rooms totaling 5,885 sq. ft.)
- 3 U.S. Magistrates' facilities - 5,915 sq. ft. (figure includes 3 Magistrate hearing rooms totaling 2,550 sq. ft.)
- Clerk of Court - 21,583 sq. ft.
- Probation Office - 29,459 sq. ft.
- Court reporters and court support space - 11,301 sq. ft.
- Central library - 7,446 sq. ft.
- Court switchboard - 902 sq. ft.
- 20 Parking spaces (allocated as 16 spaces for District Judges, one space for Bankruptcy, one space for Magistrate, and two spaces for Probation and Court support space).

HEARING MATERIAL
Dirksen Building
Chicago, Illinois

ANSWER #1 - continued

b. The U.S. Circuit Court of Appeals presently occupies 33,541 square feet of space. Major facilities include:

- 2 Courtrooms - 5,545 sq. ft.
- 1 Hearing room - 1,316 sq. ft.
- 11 Circuit Judges' suites - 17,322 sq. ft.
- Clerk of the Court of Appeals - 9,358 sq. ft.

c. The U.S. Court of Claims occupies 2,274 square feet, used as follows:

- 1 Courtroom - 885 sq. ft.
- Support space, chambers, secretary, reception - 1,419 sq. ft.

d. The U.S. Tax Court occupies 3,779 square feet, used in the following manner:

- 1 Courtroom - 1,769 sq. ft.
- 6 Offices - 2,010 sq. ft. total.

GSA:PBS 8-6-76

Senate Minority

HEARING MATERIAL
Dirksen Building
Chicago, Illinois

QUESTION #2

What new facilities are now proposed? Please describe them in detail, including room dimensions.

ANSWER #2

17th floor court facilities (estimated cost $189,000). New facilities proposed are as follows:

- 1 Hearing room - 21' x 42' (882 sq. ft.)
- 1 Petit Jury room - 28' x 21' (588 sq. ft.)
- Judge's office - 28' x 28' (784 sq. ft.)
- Study - 14' x 14' (196 sq. ft.)
- Secretary's office - 14' x 21' (294 sq. ft.)
- Law clerk's office - 14' x 21' (294 sq. ft.)

QUESTION #3

What other court facilities are there in the Chicago area?

ANSWER #3

The only other court facilities maintained by GSA in the Chicago area are those utilized by the U.S. Customs Court in the U.S. Customhouse at 610 South Canal Street. These facilities total 2,218 square feet, used as follows:

- Courtroom - 1,368 sq. ft.
- Judge's chamber - 390 sq. ft.
- 2 Court offices: 280 sq. ft. and 180 sq. ft.

In addition, one Magistrate's hearing room is maintained in the Metropolitan Correctional Center, 71 West Van Buren. This building is operated and controlled by the Department of Justice, Bureau of Prisons, and is not included in the GSA inventory.

Senate Minority

HEARING MATERIAL
Dirksen Building
Chicago, Illinois

QUESTION #4

How many full time District Judges maintain chambers in the Chicago area? Please describe these.

ANSWER #4

Full-time District Judges' chambers in Chicago area

Chambers are now provided for 12 full-time District Judges in the Dirksen Building. One vacancy exists among the 13 judgeships authorized for the Northern District of Illinois, and the current prospectus will provide the additional chambers needed for the person appointed to the vacant judgeship. The 12 suites now used by the full-time District Judges can be described as follows:

- Chief Judge James B. Parsons has a suite of 2,890 square feet consisting of his private chamber (729 sq. ft.), meeting room (977 sq ft.), secretary's office and reception area (656 sq. ft.), and two law clerk's offices (@ 264 sq. ft. each).
- Judge Hubert L. Will's suite totals 1,668 square feet and consists of private chamber (795 sq. ft.), a study (189 sq. ft.), secretary's and reception area (294 sq. ft.), and law clerk's office (390 sq. ft.).
- Judge Bernard M. Decker uses 1,628 square feet for a private chamber (790 sq. ft.), study (189 sq. ft.), secretary's and reception area (354 sq. ft.), and law clerk's office (295 sq. ft.).
- Judge William J. Lynch's suite occupies 1,628 square feet divided among his private chamber (789 sq. ft.), study (182 sq. ft.), secretary's and reception area (364 sq. ft.), and law clerk's office (293 sq. ft.).
- Judge Frank J. McGarr's suite of 1,517 square feet is used for his private chamber (668 sq. ft.), study (200 sq. ft.), secretary's and reception area (354 sq. ft.), and a separate law clerk's office (295 sq. ft.).

HEARING MATERIAL
Dirksen Building
Chicago, Illinois

ANSWER #4 - continued

- Judge George N. Leighton's 1,628 square foot suite provides a private chamber (789 sq. ft.), study (182 sq. ft.), secretary's and reception area (364 sq. ft.), and law clerk's office (293 sq. ft.).
- Judge John Powers Crowley occupies 1,633 square feet for his private chamber (795 sq. ft.), study (189 sq. ft.), secretary's and reception area (354 sq. ft.), and law clerk's office (295 sq. ft.).
- Judge Thomas R. McMillen's suite totals 1,628 square feet and is arranged like that of Judge Decker, as described above.
- Judge Prentice H. Marshall utilizes 1,517 square feet arranged like that of Judge McGarr, as described above.
- Judge Joel M. Flaum's 1,517 square foot suite is also arranged like Judge McGarr's.
- Judge Alfred Y. Kirkland also uses a 1,517 square foot suite like that of Judge McGarr.
- Judge John F. Grady has a 1,538 square foot suite divided into his private chamber (678 sq. ft.), study (203 sq. ft.), secretary's and reception area (364 sq. ft.), and law clerk's office (293 sq. ft.)

GSA:PBS 8-6-76

HEARING MATERIAL
Dirksen Building
Chicago, Illinois

QUESTION #5

How many full time Circuit Judges have chambers in the Chicago area? How many have additional accommodations at other locations? Please describe these.

ANSWER #5

Full-time Circuit Judges' chambers in Chicago area

Chambers are now provided for 8 full-time Circuit Judges in the Dirksen Building, and a ninth chamber is used for the visiting Circuit Judges assigned to hear cases in Chicago. GSA does not provide any chambers for these 8 full-time judges stationed in Chicago other than these in the Dirksen Building. The 9 suites used by the full-time Circuit Judges can be described as follows:

- Chief Judge Thomas E. Fairchild's suite of 3,204 square feet is used for his private chamber (756 sq. ft.), 3 law clerks' offices (368 sq. ft., 200 sq. ft. & 200 sq. ft.), 4 secretaries' offices (334 sq. ft., 284 sq. ft., 214 sq. ft., & 200 sq. ft.), and an administrative assistant's office (648 sq. ft.).
- Judge Luther M. Swygert occupies 1,401 square feet used as his private chamber (677 sq. ft.), study (191 sq. ft.), secretary's and reception area (317 sq. ft.), and law clerk's office (216 sq. ft.).
- Judge Walter J. Cummings has 1,528 square feet of space arranged into a private chamber (780 sq. ft.), study (200 sq. ft.), secretary's and reception area (334 sq. ft.), and law clerk's office (214 sq. ft.).
- Judge Wilbur F. Pell, Jr., has a 1,505 square foot suite divided into his private chamber (756 sq. ft.), study (200 sq. ft.), secretary's and reception area (334 sq. ft.), and law clerk's office (215 sq. ft.).
- Judge Robert A. Sprecher's suite of 1,345 square feet is used for his private chamber (621 sq. ft.), study (191 sq. ft.), secretary's and reception area (317 sq. ft.), and law clerk's office (216 sq. ft.).

HEARING MATERIAL
Dirksen Building
Chicago, Illinois

ANSWER #5 - continued

- Judge Philip W. Tone's 1,381 square foot suite is arranged into a private chamber (633 sq. ft.), study (200 sq. ft.), secretary's and reception area (334 sq. ft.), and law clerk's office (214 sq. ft.).
- Judge William J. Bauer's 1,396 square foot suite provides a private chamber (648 sq. ft.) study (200 sq. ft.), secretary's and reception area (334 sq. ft.), and law clerk's office (214 sq. ft.).
- Judge Harlington Wood, Jr., utilizes his 1,499 square foot suite for his private chamber (771 sq. ft.), study (191 sq. ft.), secretary's and reception area (318 sq. ft.), and law clerk's office (219 sq. ft.).
- The visiting judge's suite has 1,182 square feet of space arranged into a private chamber (648 sq. ft.), study (200 sq. ft.), and secretary's and reception area (334 sq. ft.).

GSA:PBS 8-6-76

HEARING MATERIAL
Dirksen Building
Chicago, Illinois

QUESTION #6

How many Senior Judges are now being furnished chambers in Chicago or else where in the state? How many more does GSA anticipate must be provided for in the foreseeable future?

ANSWER #6

Senior Judges' chambers in Illinois

a. Six Senior Judges of the District Court (William J. Campbell, J. Sam Perry, Julius J. Hoffman, Edwin A Robson, Abraham L. Marovitz, and Richard B. Austin) and two Senior Judges of the Circuit Court (John G. Hastings and Latham Castle) now utilize chambers in the Dirksen Building. The District Court Senior Judges occupy a total of 9,271 square feet for their chambers, and the chambers for the Circuit Court Senior Judges total 2,881 square feet.

Senior Judge of the District Court, William G. Juergens, maintains a chamber in the First National Bank Building in Chester, Illinois. This is a leased facility and is not provided by GSA. Senior Judge of the Circuit Court, Win G. Knock, maintains a chamber at 501 North Main Street in Naperville, Illinois. This is also a leased facility and is not provided at GSA expense. GSA does, however, provide space for Senior Judge of the District Court Omer Poos in the Federal Building in Alton, Illinois.

b. The need for Senior Judges' chambers is not very predictable since judges may elect to remain in active status even when Senior status is available. The delays, which may continue for considerable lengths of time, in the appointment of replacement judges due to a Senior Judge relinquishing his chambers or by his

HEARING MATERIAL
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Chicago, Illinois

ANSWER #6 - continued

death adds an additional variable which must be considered. Further, judges entering Senior status may not always request that separate chambers be maintained for their use. Nonetheless, it is anticipated that four District Court Judges will enter Senior status within the next three years. Judges James B. Parsons and Bernard M. Decker may take Senior status in 1977; Judge William J. Lynch, in 1978; and Judge Hubert L. Will, in 1979. Some or all of these senior judgeships may require the creation of additional chambers.

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QUESTION #7

Who determines where court space for full time Judges will be situated?

ANSWER #7

The Chief Judge of the Circuit Court and the Judicial Council of that circuit oversee the administration of Federal judicial business in each circuit and therefore request the court facilities they deem appropriate. These requests are directed to the Administrative Office of the U.S. Courts (AOC) which is required to provide accommodations for the courts (53 Stat. 1223; 28 U.S.C. 601). AOC reviews the requests it receives in light of the recommended standards put forth by the Committee on Court Facilities and Design and adopted by the Judicial Conference of the United States. Upon completion of this review, which would presumably include an analysis of the impact of the proposed request on the budget of the courts through SLUC payments and other charges, AOC forwards a space request to GSA indicating the facilities desired and their general location. GSA acts on these requests after reviewing them with AOC and, as appropriate, with the Chief Judge of the Circuit Court and other affected judges. These consultations sometimes lead to the postponement or reduction in scale of the requests. In any event, GSA can implement the requests only when funds are available and, if appropriate, when prospectus approval has been granted. In this sense, Congress participates in determining the location of court facilities. (Congress also obviously influences the location of court facilities by its creation of judgeships in each circuit and district.) The specific location of new facilities within a given building is determined by GSA with the approval of AOC in consultation with the Chief Judge of the circuit or district.

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QUESTION #8

Who determines where Senior Judges's chambers will be situated?

ANSWER #8

The determination of the location of facilities for Senior Judges is not different from the determination of the location of facilities for full-time judges, as described in Answer 7 above.

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QUESTION #9

Is providing accommodations for Senior Judges mandatory? What statutes govern this requirement?

ANSWER #9

The provision of chambers and related court facilities for Senior Judges is not specifically mandated by statute, to our knowledge.

GSA is obligated, however, to provide space for the courts and this has customarily included separate chambers and facilities for each active judge and each Senior Judge who requests them. In providing facilities separately for each active judge, the need to provide facilities for Senior Judges arises almost inherently. Since judges are appointed for life and their retirement is entirely voluntary, they can retain their present facilities for as long as the Judicial Council and Judicial Conference will permit. Even if they enter Senior status, they may retain their present facilities. In so doing, they force GSA to attempt to create new facilities for the replacement judges assuming active status. It is more common for judges entering Senior status to request alternate facilities, sometimes only a Judge's suite but typically a suite and courtroom together. The logic for this is that the facilities for a Senior Judge can be more modest than those for an active judge handling a heavier caseload and perhaps more publicized trials. In some cases, however, Senior Judges handle very heavy case loads in order to help the district or circuit keep abreast of its workload.

The Constitutional separation of powers and the traditions of deference to the Judiciary make it considerably more complicated for GSA to give requests for Senior Judges' facilities the same scrutiny which is given to the space requests of Executive Departments and Agencies. GSA therefore relies heavily upon AOC to evaluate the need for each facility requested. It is encouraging to note that AOC has begun to advise Senior Judges to share courtrooms in those instances where it feels the caseload will permit this practice.

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QUESTION #10

When the two Senior Judges move into new chambers in the Dirksen building, what happens to those they now occupy?

ANSWER #10

Chambers and court facilities vacated by a Senior Judge in favor of alternate facilities are assigned to the replacement judge. In the case of the present prospectus, the proposed alterations will create a total of 19 District Court Chambers in the Dirksen Building, one each for 12 full-time judges, 6 Senior Judges, and one vacant judgeship.

QUESTION #11

What disposal was made of those formerly occupied by the two Senior Judges who are already in the Dirksen building?

ANSWER #11

Whenever Senior Judges have vacated their facilities in the Dirksen Building, replacement judges have occupied them.

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Dirksen Building
Chicago, Illinois

QUESTION #12

How frequently are these used, and also those in the Dirksen building?

ANSWER #12

The only available statistic on courtroom usage is "total trial days" at locations where Court is held. (For purposes of this statistic, the Judicial Conference considers a "trial day" to be 5 hours or more, i.e., a courtroom used for 5 hours or more on any one day is considered to have been fully utilized for trial purposes on that date.) Chicago had 1,289.1 trial days in Fiscal Year 1975. On the basis of 250 working days per year, there could theoretically be 4,250 trial days per year of courtroom usage in the Dirksen Building. The Courts maintain that the number of trial days cannot be used as a measure of the true extent to which a courtroom is utilized. Non-trial activities in the courtroom are excluded from the measure of trial day usage. The computation therefore excludes time spent by judges in hearing separate arguments on motions prior to and after a trial. Nor does it include criminal arraignments, pleas and sentencings. Large pre-trial conferences and usage by bankruptcy referees and the Naturalization Examiner are also omitted from the statistics.

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QUESTION #13

Why couldn't a single facility be shared?

ANSWER #13

In concept, we believe that courtrooms could and should be shared by Senior Judges whenever the caseload would permit. As noted above, AOC apparently shares this view and has taken the position in certain cases that facilities should be shared. In the present instance, however, AOC has not recommended that facilities should be shared.

QUESTION #14

Are there any restrictions that must be observed by GSA in providing chambers for either active or Senior Judges?

ANSWER #14

The Judicial Conference of the United States promulgates the standards it deems appropriate for providing facilities for the courts and related activities. GSA has participated in the development of these standards from a technical standpoint and has adopted these standards for its own internal guidance. AOC is the enforcer of these standards within the Judiciary and also grants exceptions to these standards when it considers such action appropriate.

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QUESTION #15

Are there any GSA regulations that limit the type and size of courtrooms, or other facilities normally provided for the judiciary?

ANSWER #15

GSA Handbook PBS P 3425.1, United States Courts, provides standards for the design and provision of court facilities. Certain of these standards were reduced in scale in 1971 as a result of a study by the Judicial Conference in which GSA provided technical participation. GSA incorporated the decisions of the Judicial Conference in its regulations and was therefore able to reduce the size of a standard District Courtroom by about 50 percent.

QUESTION #16

What is GSA's policy regarding provision of ceremonial courtrooms?

ANSWER #16

The GSA policy is that of the Judicial Conference as set forth in 1971. The Judicial Conference policy maintains that ceremonial courtrooms are to be exceptions where the need for them is demonstrated on the basis of projected caseloads. In the planning of future construction, the Judicial Councils are to fix the number of each type of courtroom to be included in a project after consultation with the district judges. AOC relays the findings of the Judicial Councils to GSA. GSA and AOC interpret the Judicial Conference Standards to mean that construction of more than one courtroom of 2,400 square feet or more is an exception requiring special justification.

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QUESTION #17

Are courtroom configurations and dimensions standarized? How are the various types identified?

ANSWER #17

The Judicial Conference Standards accepted by GSA regard a standard courtroom as being 28' x 40' in size and a large courtroom (typically one per building) as being 40' x 60' in size. The standard size courtroom has a 12' ceiling height. The standards are adjusted to meet the engineering requirements of each project, particularly in altering existing buildings where module and bay sizes as well as mechanical and structural constraints require other design solutions.

QUESTION #18

How were requirements for new court space in the Dirksen building determined?

ANSWER #18

AOC, acting upon the approval of the Judicial Council of the 7th Circuit on a request from the Chief Judge of the Northern District of Illinois, requested GSA to provide the facilities proposed in the present prospectus. GSA reviewed this request in light of the number of active and senior judgeships now in the building and projected increases and determined that the request was appropriate. This determination rests in part on the evidence that present courtrooms in the Dirksen Building are heavily utilized for a variety of purposes, including heavy usage for activities not measured in the trial day computation. The evidence is derived from the informal observation of GSA personnel who are responsible for the operation and use of the building.

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QUESTION #19

How was the estimated cost determined? What is the usual sq. ft. cost for court rooms?

ANSWER #19

Since specific architectural and engineering designs are not yet completed at the prospectus approval stage of a project, cost estimates are based upon preliminary layout designs. The preliminary layout detailed in Question 2 above was used to estimate the engineering requirements for the court facilities and gauge the construction techniques that would have to be employed. Rough estimates of materials usage and labor requirements were then applied to typical unit costs and wage rates to calculate a probable construction cost. Allowances for contingencies and design and supervision expenses were added to the calculated construction cost to derive the estimated total project cost used to prepare the prospectus.

The direct construction costs of typical courtroom alteration projects (excluding contingencies and design and alteration expenses) run from $30 to $60 per square foot, depending upon the construction of the building being altered and the nature of the construction of the courtroom itself.

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QUESTION #20

What SLUC rate will be charged for the new chambers, and how does this compare to that for general purpose space?

ANSWER #20

If construction of the new facilities is completed in FY 1977, the SLUC rate for the chamber will be about $8.46 per square foot. SLUC charges in the courtroom space will be about $11.40 per square foot. SLUC rates in FY 1978 have not yet been determined.

Judges' chambers are classified as general purpose office space for SLUC billing purposes so there is no difference in rate. Courtroom space is charged at a premium rate due to its significantly higher cost of construction, operation and maintenance.

QUESTION #21

To whom must judicial space requirements be justified, other than the Appropriations Committees for operational funding?

ANSWER #21

The justification process requires the Chief Judge of the Circuit Court to transmit a request of the Judicial Council to AOC. The Judicial Council's decision is reviewed by AOC in light of Judicial Conference Standards and the funds available within the budget of the courts. If AOC finds the request to be acceptable, it is transmitted to GSA where it is given further review. If prospectus approval is required, as in the present case, the GSA recommended course of action is transmitted to the Public Works Committee. If the prospectus is approved, GSA can either use funds within its present budget, if funds are available, or can turn to the Appropriations Committee to obtain the necessary money.

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QUESTION #22

Can GSA offer suggestions with respect to further standardization of court facilities, and new procedures or legislation necessary to achieve this?

ANSWER #22

Standardization of designs and configurations could pose numerous problems in the adaptation of those standards to the unique conditions of each building. In addition, a strict standardization could create a mediocrity of design that would be difficult to modify as requirements and tastes change.

It is probable that maximum allowances could be more clearly specified in legislation and would have more binding effect on space requests than do the present standards used by AOC and GSA. New allowances might also create the opportunity to require greater joint use of facilities, including courtrooms, reception areas and libraries. A major difficulty in wise application of this approach, however, is the lack of a satisfactory measure of present use of the assigned space. As already explained, the "trial day" statistic is of questionable value. The first step in the legislative solution to this problem might be statutory direction to suggest either the use of alternative statistics or the accumulation of data according to stipulated statistical measures.

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UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, D.C. 20405

September 9, 1976

Honorable Robert Morgan
Chairman, Subcommittee on
Buildings and Grounds
Committee on Public Works
United States Senate
Washington, DC 20510

Dear Senator Morgan:

This refers to your letter of August 5 requesting additional information on lease prospectuses for the following locations which are pending before the Subcommittee:

Arlington, Virginia - Webb Building
Honolulu, Hawaii - 1833 Kalakaua
Arlington, Virginia - 1621 N. Kent
Atlanta, Georgia - 730 Peachtree
Des Plaines, Illinois - 2300 E. Devon

We are pleased to provide the attached answers to the questions raised by the Subcommittee and please let us know if we can be of further assistance.

Sincerely,

Jack Eckerd

JACK ECKERD
Administrator

Enclosures

GSA INFORMATION SHEET
PUBLIC BUILDINGS SERVICE
AUGUST 30, 1976

QUESTIONS AND ANSWERS

HONOLULU, HI - LEASE PROSPECTUS

1. QUESTION: If there was no provision for renewal of the lease which expired last July, what arrangements have been made?

ANSWER: The lessor has agreed to a rental payment of less than $500,000, pending approval of the prospectus. Upon receipt of approval and subsequent execution of the succeeding lease, the lessor will be paid at the new rental rate, effective August 1, 1976.

2. QUESTION: Why is the right requested to extend the proposed 18-month lease for two additional 6-month periods? Why not propose a straight 2 or 2 1/2 year lease with the same termination rights?

ANSWER: At the time of prospectus preparation, it was estimated the space in this building could be vacated early in calendar year 1977. This has now changed to March or April 1977 and could change to a later date. The lessor will only agree to firm term extensions. It is presently estimated that the Government will move before June 30, 1977, however, should this not occur, GSA will need the authority to further extend the lease and it is proposed to do so in 6-month intervals.

3. QUESTION: The prospectus refers in one place to an "estimated net annual rental of $565,500", yet elsewhere it states rental will be the same as now being paid. What is meant by "estimated"?

ANSWER: The annual rental rate for space during the 18-month renewal term is actual and firm, however, the amounts to be paid by the Government for services and utilities are estimated. Therefore, the total is estimated.

4. QUESTION: Would the cost be the same under proposed 6-month extension terms?

ANSWER: This has not been discussed with the lessor and would be negotiated should it be necessary to extend beyond June 1977.

5. QUESTION: When will the new Federal building now under construction be finished?

ANSWER: The completion date for the new Federal building is now estimated to be during March 1977.

6. QUESTION: Space being rented is referred to as "net usable". What is the difference between this and "occupiable space" referred to in other prospectuses?

ANSWER: GSA leases space on a net usable basis. By definition the term as applied to buildings means the adjusted inside gross less 10 percent. This permits an equitable and standardized evaluation of offers regardless of whether the space offered is in an existing building with fixed corridors, or in a partially completed building with open floors. Occupiable, on the other hand, delineates that portion of the space acquired which is actually utilized to house personnel and/or equipment, excluding fixed corridors, and can be greater or less than net usable. (See attached brochure.)

7. QUESTION: Why was this building originally constructed to Government lease specifications? What arrangement was made with the owner when it was built in 1964?

ANSWER: This building was constructed to provide a central consolidated location to house FAA activities which were previously housed in scattered locations in downtown Honolulu. Since there were no large blocks of space nor any existing buildings large enough to affect the FAA consolidation, GSA negotiated for the construction of a building under the lease agreement to satisfy the space need. Negotiations were based on a lease with a 10-year firm term with no renewal options.

8. QUESTION: Will the $202,883 worth of improvements made since then have to be removed or will they remain?

ANSWER: The approximate $203,000 worth of improvements consists of such items as miscellaneous alterations, such as, partition moves, telephone and electrical outlet installations, and other changes as required for space readjustments for FAA and the other agencies which backfilled some of the FAA space. They were mostly one-time in nature and cannot be removed and used in another location.

9. QUESTION: The housing plan indicates 4,515 square feet occupied by GSA, yet no personnel are shown. Why?

ANSWER: At the time of prospectus submission, no personnel occupied this space. In addition to about 1,500 square feet of office space, it consists of a conference room of 900 square feet and a lunch room of 2,075 square feet. The office areas have been, or shortly will be, assigned to FAA and the Civilian Appellate Review Agency with a total of 12 personnel.

10. QUESTION: FAA occupies over 55 percent of the space now leased. What is their function here? Will they move into the new Federal building now under construction?

ANSWER: The space assigned to FAA is occupied by its regional office and administrative office activities. FAA will move into the new Federal building when it is completed.

GSA INFORMATION SHEET
PUBLIC BUILDINGS SERVICE
AUGUST 30, 1976

QUESTIONS AND ANSWERS

WEBB BUILDING, 4040 NORTH FAIRFAX DRIVE, ARLINGTON, VA - LEASE PROSPECTUS

1. QUESTION: The prospectus states the lease expired June 28, 1976. What arrangement has been made for continued occupancy?

ANSWER: Beginning June 29, 1976, the Government is in holdover tenancy until prospectus approval is obtained. Upon receipt of approval and subsequent execution of the succeeding lease, the lessor will be paid at the new rental rate, effective June 29, 1976.

2. QUESTION: A continuing need to satisfy the space needs of DOD, HEW, and the Interior is indicated. Why, then, is the proposed extension only for 5 years with no renewal option?

ANSWER: The agencies confirmed a continuing need for the space for a period of 5 years. In addition, it is understood that the Committees have restricted us to 5-year terms in the Washington area.

3. QUESTION: Why is the escalator clause exercised at the end of 3 years rather than some shorter period?

ANSWER: It is GSA's belief that a building owner can project his operating costs for a period of 3 years and negotiate the terms of the lease on that basis. More frequent escalation would significantly increase the administrative cost to the Government since implementation of the clause requires extensive analysis and negotiations. Furthermore, annual escalation would reduce the owner's incentive to minimize operating cost increases since they would be passed along to the lessee each year.

4. QUESTION: Under Current Housing Costs, reference is made to "agencies to be housed in the proposed leased space". Does this have any particular connotation?

ANSWER: Sec. 7(a)(5) of the Public Buildings Act of 1959, as amended, requires GSA to provide a statement of rents and other housing costs currently being paid by the Government for Federal agencies to be housed in space to be leased. In this instance, the phrase has no particular connotation since there is no proposed change in occupying agencies. The words "to be" could be eliminated.

5. QUESTION: Is it essential that current occupying agencies be housed at this specific location or in the area?

ANSWER: Of the 94,600 square feet of space occupied by the Navy Department, 27,745 square feet on the 4th, 5th, and 6th floors are used

to house the Main Navy Computer Complex which was installed early in 1970. The total installation cost was $810,142.94, which includes other alterations on the 4th through 9th floors. Relocating the Navy Department to another building in Rosslyn or another area would require that the Government again bear the cost of reconstructing approximately 28,000 square feet of computer space in the new location.

6. QUESTION: No parking spaces are leased here. Where do the tenants park?

ANSWER: In the Webb Building, no parking spaces are under the lease either by GSA or by separate reimbursable contracts for the tenants. However, parking facilities are available in the building and in the area, and the employees make their own parking arrangements.

7. QUESTION: Why is rent going up 53 percent, from $398,311 to $610,000?

ANSWER: The appraised fair annual rent, excluding services and utilities, has increased from $2.82 per square foot, when the lease was entered into in 1966, to $4.30 per square foot as appraised January 22, 1976. This increase is partly due to increases in the desirability of office space, as well as to rising land values and taxes in Northern Virginia. In addition, operating costs and the fixed expenses of owning the building have increased rapidly during the last several years.

8. QUESTION: Why are services and utilities going up 15 percent, from $238,165 to $274,000, increasing the overall total by 39 percent?

ANSWER: Services and utilities are furnished by the lessor and, in an appraisal, dated December 7, 1973, these costs were estimated to be $1.69 per square foot. In the latest appraisal, dated January 22, 1976, the cost of the lessor's services and utilities was estimated to be $1.98 per square foot. Over these 3 years the cost of utilities has increased from $.68 to $.87 per square foot, and this change is responsible for approximately two-thirds of the 15 percent increase in the cost of services and utilities. The 15 percent increase is less than the 75.6 percent rate of inflation in the Washington area for the same period.

9. QUESTION: The prospectus states that the SLUC rate for office space here is $6.92 per square foot. Will this remain firm? What is the rate for ADP space?

ANSWER: The SLUC rate is applicable for one fiscal year and the $6.92 rate for office space will be firm until October 1, 1977. The rate for the ADP space for FY 1977 is $8.58. Thereafter the rate will be adjusted annually based on a fair rental appraisal.

10. QUESTION: In determining whether rent exceeds limits imposed by the Economy Act, who ascertains the building's actual value? What is its value on local tax rolls, and is GSA's evaluation commensurate?

ANSWER: The fair market value of the entire property was appraised at $5,300,000 on January 22, 1976, by a GSA Region 3 Staff Appraiser. All such appraisals are then reviewed by the Director of the Appraisal Staff, Office of the Executive Director, GSA Central Office. In 1975, Arlington County assessed the land and the building at $2,081,800 for tax purposes. When adjustments were made for the 40 percent assessment ratio in Arlington County, the building was valued at $5,204,500, a value which is within $100,000, or 2 percent of GSA's appraised fair market value.

11. QUESTION: Nearly $1 million has been spent on this building by GSA for improvements since 1966. What total rent has been paid out since then?

ANSWER: The annual rental payments to the lessor from June 29, 1966, through June 28, 1976, totaled $4,588,288 under the terms of the original lease and eight supplements. These payments cover the services and utilities provided by the lessor.

12. QUESTION: Has purchase been considered? Why wasn't this shown as an alternative in the prospectus, and a present value analysis furnished for comparison?

ANSWER: This is not a practicable alternative since space needs have only been confirmed for 5 years and other space was not available in GSA's inventory. In addition, this would not be a viable alternative in view of the limited funding available to GSA for construction and acquisition of buildings.

13. QUESTION: Does the building have central airconditioning?

ANSWER: Yes. The building is heated and cooled by a central 3-pipe system which circulates heated or chilled water to fan-driven perimeter wall units on each floor. In addition, there are 23 Government-owned airconditioning units in the Navy's Computer Complex to ensure continuity of operations.

14. QUESTION: Support data indicates that an airconditioning maintenance contract was terminated in January 1975 at a cost of $12,988. Why and what are the details?

ANSWER: The maintenance contract covered supplemental airconditioning equipment owned by the Government. Beginning in January 1975, this service has been obtained from a maintenance firm in the area, and the annual rental payment to the lessor was reduced by $12,988.

GSA INFORMATION SHEET
PUBLIC BUILDINGS SERVICE
AUGUST 30, 1976

QUESTIONS AND ANSWERS

ATLANTA, GA - LEASE PROSPECTUS

1. QUESTION: If approved, the prospectus comprises blanket authority to lease space anywhere in Atlanta up to a maximum of $1,367,500 annually for 15 years. Public Law 92-313 requires that the location be shown in the prospectus. Does GSA think simply naming the city is sufficient for compliance?

ANSWER: Yes. The prospectus provides for a proposed lease action to continue the housing of agencies now located in the city of Atlanta. This solicitation of offers on a competitive basis could result in the leasing of space not presently occupied by the Government. Since the location is not known until after prospectus approval has been obtained and competitive negotiations completed, the location in the city cannot be identified in the prospectus. (See answer to Question 4.) However, since we identify the agencies to occupy the space, the amount of space to be acquired, the maximum cost and the city in which it is to be located, as in the case of Federal construction when the building is to be constructed on a site not yet selected and acquired, we believe we have complied with the Act.

2. QUESTION: What is meant by, "A market survey will be conducted to identify buildings available - locations - etc?" Has one not been done?

ANSWER: A market survey will be made to identify existing and proposed buildings which will contain suitable space meeting the Government's minimum requirements that will be available for leasing. These buildings are identified through newspaper advertising, consultations with realtors and building owners, and onsite inspections. Competitive offers will be solicited from each location that can provide the required space. The market survey will not be made until after the prospectus is approved.

3. QUESTION: How, then, was it determined that eight buildings are presently available that will fulfill indicated space needs?

ANSWER: Our regional personnel identified eight buildings which could provide this requirement when conducting market surveys for other space requirements. However, since the rental market fluctuates, it will be necessary to conduct a current market survey after the prospectus is approved and just prior to soliciting offers for leasing the space.

4. QUESTION: The prospectus states that offers have yet to be solicited. Ordinarily, this has been done and specific space identified before a prospectus is submitted. Why not in this instance?

ANSWER: Ordinarily when a prospectus provides for a succeeding lease or a lease renewal to cover continued occupancy at an existing lease location,

a rental rate has already been agreed upon. However, when a prospectus covers a lease action that could result in leasing space not presently occupied by the Government, offers are not solicited until after the prospectus is approved. This procedure is followed since offerors of space available for lease generally will not hold their space off the open market for the length of time required for prospectus preparation and approval.

5. QUESTION: What is the total rental space available to the Government in the building at 730 Peachtree Street?

ANSWER: The lessor has indicated he could provide 205,000 net usable square feet of space comprising 190,000 square feet of office space and 15,000 square feet of computer space.

6. QUESTION: In January 1972 space leased here was increased by 193 percent, from 63,000 to 185,000 square feet. What brought this about?

ANSWER: This 193 percent increase is based upon the comparison between the square footage of the initial lease term, which was the amount of space initially procured in January 1967, and the square footage presently under lease. From January 1967 to January 1972, the square footage gradually increased from 63,320 to 162,544. And then the square footage increased from 162,554 in January 1972 to 185,340, which is today's total. A comparison should take into account that increments of space were added as the need arose over this 9-year span, versus all at once, as the question indicates.

7. QUESTION: Now it is proposed to acquire an additional 8,160 square feet. What for?

ANSWER: The additional space is required to house personnel that will be on board at the beginning of the new lease. This will also result in a reduction in space utilization of one square foot per person.

8. QUESTION: An attachment shows proposed space assignments for occupancy in the building to be leased. Which agencies shown there are not currently housed at 730 Peachtree?

ANSWER: None. They are all presently housed at 730 Peachtree.

9. QUESTION: How long have the Courts been in the building? Do they wish to move?

ANSWER: Courts are not in the building.

10. QUESTION: It is noted that ACTION and Community Services Administration will occupy 20 percent of the space to be leased. Do these agencies wish to remain at 730 Peachtree?

ANSWER: These agencies would not object to continued housing at 730 Peachtree.

11. QUESTION: It is noted that expenditures on leasehold improvements since 1969 total $173,724 but those exceeding $2,000 individually total only $71,272. What was the nature of work done with the other $102,452?

ANSWER: There have been 99 separate work authorizations for alterations and/or improvements from the beginning of the lease until the date of the preparation of the lease prospectus. Therefore, after subtracting the 14 improvements/alterations that were specifically listed, the remaining 85 improvements/alterations averaged $1,205 per job. They consisted of painting, installation of sprinkler systems, electrical work, partitioning, carpeting, and general repair work. The work has been spread out over the term of the lease.

12. QUESTION: The present lease costs only $3.92 per square foot which includes parking. Now it is planned to enter into a new lease at $7 per square foot which does not include parking. This is an increase of 86.4 percent in dollars but only 4.4 percent in space. What is the rationale of such procedure?

ANSWER: The Public Buildings Act of 1959, as amended, requires GSA to estimate maximum costs to the Government. Based on the current rental market in the Peachtree corridor in Atlanta, the rental rate will not exceed $7 per square foot. It should be noted that Atlanta has experienced an inflationary trend over the past several years and we believe that through careful negotiations with responsive offerors a lower rate will be obtained.

13. QUESTION: GAO has criticized GSA in a recent report for paying lessors substantially less per square foot in some instances than has been requested and authorized. What actual rate has been or can be worked out with the owner of 730 Peachtree Street?

ANSWER: We have not negotiated with the present lessor because we plan to solicit for offers and then negotiate the rate with the lowest responsive offer.

14. QUESTION: Are the additional 24 parking spaces required available at 730 Peachtree? Who will get these?

ANSWER: The additional parking spaces have been requested by the Veterans, Social Security, and Community Services Administrations and ACTION. They are available at 730 Peachtree.

15. QUESTION: These will cost 39 percent more per space than those furnished under the present lease. Why?

ANSWER: The underlying causes are inflation and demand for parking. Estimates are based on the going rate in the Peachtree corridor, but we plan to negotiate for the lowest possible rate.

16. QUESTION: What is the current SLUC rate charged agencies at 730 Peachtree?

ANSWER: The current SLUC billing for the 730 Peachtree Street Building is as follows:

Office Space	181,207 sq. ft. @ $ 6.90/sq. ft.	$1,250,328
General Storage Space	1,426 sq. ft. @ $ 4.75/sq. ft.	6,774
Inside Parking	300 sq. ft. @ $ .90 sq. ft.	270
Laboratory & Clinical Space	1,010 sq. ft. @ $11.85/sq. ft.	11,968
Food Service Space	1,397 sq. ft. @ $11.19/sq. ft.	15,632
SUBTOTAL IN BUILDING		$1,284,972
Outside Parking	7,800 sq. ft. @ $ .77/sq. ft.	6,006
TOTAL SLUC		$1,290,978

17. QUESTION: If present occupants are moved from this building, what is the estimate of relocation costs?

ANSWER: The following are estimates for moving the present tenants from their present location to another location within the Peachtree corridor, if the present lessor is not the lowest responsive offeror.

(1) Transportation Expense 193,500 sq. ft. @ $.30/sq. ft.	$58,050
(2) Telephone Relocation	12,093
TOTAL ESTIMATED RELOCATION EXPENSE	$70,143

18. QUESTION: What impact would such a move have upon the 730 Peachtree Street community from an economic and environmental standpoint?

ANSWER: The vacation of the 730 Peachtree Street Building would economically impact the present lessor, but would have little economic or environmental impact on the surrounding Peachtree corridor community.

GSA INFORMATION SHEET
PUBLIC BUILDINGS SERVICE
AUGUST 30, 1976

QUESTIONS AND ANSWERS

DES PLAINES, IL - LEASE PROSPECTUS

1. QUESTION: Is construction of a new building contemplated in the foreseeable future to house activities of FAA, NTSB, and CAB?

ANSWER: No.

2. QUESTION: Why does the prospectus state that construction of a new building is not a practicable alternative, and why wasn't an analysis furnished so comparison could be made against leasing over an extended period of time?

ANSWER: An analysis comparing leasing with Federal construction was not included in this prospectus because GSA has no plans or funds for such construction in this area. In addition, the space has been occupied since March 1972 and the present lease contains the right to renew at the favorable rate currently being paid. Future Federal construction will be considered prior to expiration of the renewal period and weighed against other projects on the basis of comparative urgency of need and the geographic distribution of resources for Federal construction.

3. QUESTION: How many additional options does the existing lease provide for? Wasn't the one proposed now authorized with the original 1972 lease?

ANSWER: One renewal option of 5 years was included as part of the original lease. However, a lease prospectus and program approval were not required for this lease at the time it was executed (prior to June 16, 1972). According to the decision of the Comptroller General on October 26, 1972, the Public Buildings Amendment of 1972 to the Public Buildings Act of 1959, as amended, does require prospectus approval for the exercising of a renewal option if the net annual rent exceeds $500,000, even though prospectus approval was not required at the time of original lease award.

4. QUESTION: Substantial cost increases are generally reflected in prospectuses submitted for lease extensions or renewals. Yet the rent, services, and utilities remain the same in this instance. How is this explained?

ANSWER: The rent for the renewal period was negotiated at the time of the overall negotiations leading up to the award of this lease and resulted in the same rental rate for the renewal period as for the initial firm term.

5. QUESTION: Is the increase in cost of metered electricity attributable to greater usage or higher prices?

ANSWER: The increase in cost of metered electricity is due to higher prices.

6. QUESTION: It is noted that 108,934 square feet of space is occupied by the three tenant agencies, yet rental is based on only 101,355 square feet. Why is this? On which is the SLUC Rate based?

ANSWER: Space is rented and paid for on the basis of net usable square feet. The space in question contains 101,355 net usable square feet. The Federal Buildings Fund assesses SLUC rates based upon the slightly different occupiable square foot method of measurement which, in this case, amounts to 108,934 occupiable square feet.

7. QUESTION: Is $7.75 per square foot comparable with other rental rates for office space in the area? And $12.94 per square foot for special purpose space?

ANSWER: The present rent for this lease is well within the range of current rates in the area. In fact, office space of similar quality in the area is now renting for as much as $10 per square foot. Likewise, $12.94 is appropriate for special purpose space in this area depending upon the type of special purpose space involved.

8. QUESTION: What percentage of the total is office space?

ANSWER: Approximately 87 percent of the total space under this lease is classified as office space.

GSA INFORMATION SHEET
PUBLIC BUILDINGS SERVICE
AUGUST 30, 1976

QUESTIONS AND ANSWERS

1621 NORTH KENT STREET, ARLINGTON, VA - LEASE PROSPECTUS

1. QUESTION: The current lease expires September 1, 1976. The prospectus is dated July 26, 1976, only 36 days prior to expiration and was not received by the Subcommittee until August 2. Why wasn't it submitted earlier, and what will happen if it is not approved by September 1?

ANSWER: At the time the prospectus would have been submitted, the Agency for International Development (AID) was considering consolidation at another location. In the event a decision to relocate had been made, the 38,500 square feet of space occupied by AID would not have been leased. The net annual rent would then have been below the prospectus level of $500,000.

If prospectus approval is not received, the Government will be in holdover tenancy beginning September 2, 1976. Upon receipt of approval and subsequent execution of the succeeding lease, the lessor will be paid at the new rate, effective September 2, 1976.

2. QUESTION: Why is only a 5-year lease proposed if a need for space to house current occupants for a longer period is foreseen?

ANSWER: The agencies now occupying the building confirmed a continuing need for the space for a period of 5 years. In addition, it is understood that the Committees have restricted us to 5-year terms in the Washington area.

3. QUESTION: Why is a distinction made in the prospectus between net usable and occupiable square footage? Which was used in determining the maximum estimated amount requested? On which basis will the owner be paid and on which will SLUC be assessed?

ANSWER: The distinction is made between net usable and net occupiable measurements because two systems of measurement are used by GSA. All measurements relating to the acquisition of space (including the basis for rental payments to lessors) are in net usable square feet. All measurements used in the assignment of space to agencies (including the basis for the SLUC assessment) are in net occupiable square feet. The net usable square footage was used in determining the maximum estimated amount requested.

4. QUESTION: What is the arrangement whereby the Government will pay for all meterable utilities for the lower lobby and electricity for first floor space? Who pays for the remainder?

ANSWER: Space on the lower lobby and the first floor was incorporated in the lease by Supplemental Lease Agreement, in part, for computer use. Since the space had originally been occupied by commercial tenants, it was separately metered and afforded the Government the opportunity to pay the utility costs. Because of extra utility consumption of computer-type space, it is in the best interest of the Government to pay the exact charges. Utilities for all other space in the building are included in the rental payment.

5. QUESTION: The prospectus indicates that only $232,371 has been spent on improvements to this 12-floor building since 1968, yet GSA has assigned it a quality rating of 87. What was spent between September 1966 and March 1968, and have there been other expenditures which the prospectus does not reflect?

ANSWER: There were no expenditures on improvements during the September 1966 through March 1968 time period. Some work had commenced during the latter part of this period but was not completed and payment was not made until March 1968. All expenditures for improvements are shown in the prospectus.

6. QUESTION: What has been the total lease cost since September 1966?

ANSWER: Under the terms of the lease, commencing on September 2, 1966, and the seven supplements, the total lease cost will be $5,459,938 through September 1, 1976. The annual payments cover the services and utilities provided by the lessor. The cost of meterable utilities for the lower lobby computer space and the cost of electricity for the first floor space only is paid by the Government.

7. QUESTION: What is the building's present value and has purchase been considered? Why isn't this shown as an alternative?

ANSWER: The building was appraised at a fair market value of $5,350,000 on May 24, 1976, by the Region 3, PBS, Appraisal Staff.

Rosslyn Plaza E is part of a complex of five buildings, including two apartment buildings. The three office towers are constructed over one large parking garage which has only one entrance and one exit. Also, the three office buildings have an integrated shopping mall on the first floor. Government ownership of one building with such a parking garage arrangement and shopping mall would be unsuitable because of the many complex problems of land ownership. In addition, this would not be a viable alternative in view of the limited funding available to GSA for construction and acquisition of buildings.

8. QUESTION: Why is the rent being increased 48 percent, from $420,429 to $625,572?

ANSWER: On January 7, 1966, the fair annual rental for the Government space was appraised at an effective rate of $4.55 per square foot. A 49 percent increase (average 4.9 percent per year) during the 10-year period is consistent with the going rates for comparable space in the current rental market. This increase is partly attributable to increases in real estate taxes, insurance, major repairs, permanent improvements, and administrative expenses, such as audits, legal fees, and management.

9. QUESTION: Services and utilities furnished by the lessor are being increased from $168,607 to $251,621 annually, or 49 percent. Why?

ANSWER: Under the terms of the current lease, which became effective on September 2, 1966, the lessor provides services and utilities. The current value of $168,607 for the lessor's services and utilities is an estimate of the lessor's costs in 1966. The original lease contained no escalation clause for operating costs.

In 1966, the cost of services and utilities was estimated at $1.33 per square foot with the cost of electricity estimated at $.23 per square foot. The cost of services and utilities for this succeeding lease is estimated at $1.96 per square foot, with the cost of electricity now estimated at $.75 per square foot. The rapid increase in the cost of utilities has accounted for more than 80 percent of the 49 percent increase, with cleaning costs contributing to most of the remaining increase. The 49 percent increase is less than the 75.6 percent overall rate of inflation that has been experienced in the Washington area for the same period.

10. QUESTION: The prospectus shows the total annual rental cost to be $7.20 per square foot, yet the SLUC rate indicated is only $6.83. Based on the same footage for which rent will be paid, this would result in an annual loss to GSA of more than $47,000. What is the reason?

ANSWER: Agencies are billed on the basis of the number of occupiable square feet, the type of space, and the SLUC rate appropriate for this space. The lessor is paid for the number of net usable square feet of space under lease.

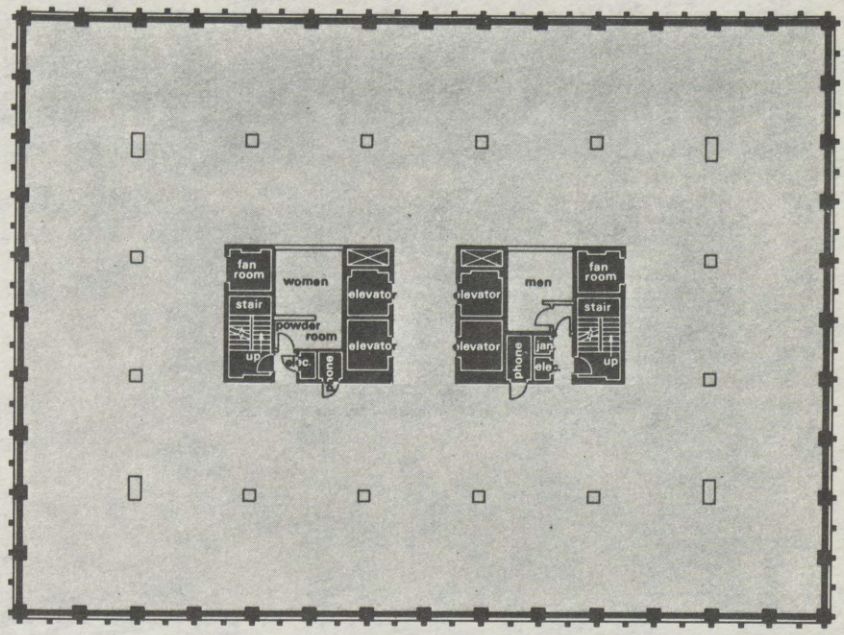
During FY 1977, GSA will receive $847,355 from the agencies in the building and will pay an estimated annual rental of $924,694 at an annual loss of $77,339. Because of the procedure whereby the SLUC rate is established, there are some instances where that rate will be less than the annual rental costs. Beginning in FY 1978, SLUC will be based on fair rental estimates and the instances will be reduced where agencies are paying a lower SLUC than occupancy costs.

SPACE MEASUREMENTS

GENERAL SERVICES ADMINISTRATION

PUBLIC BUILDINGS SERVICE
OFFICE OF SPACE PLANNING AND MANAGEMENT

RENTABLE AREA-SINGLE TENANCY FLOOR



COMPUTATION: INSIDE GROSS = 14,380 SQ.FT.

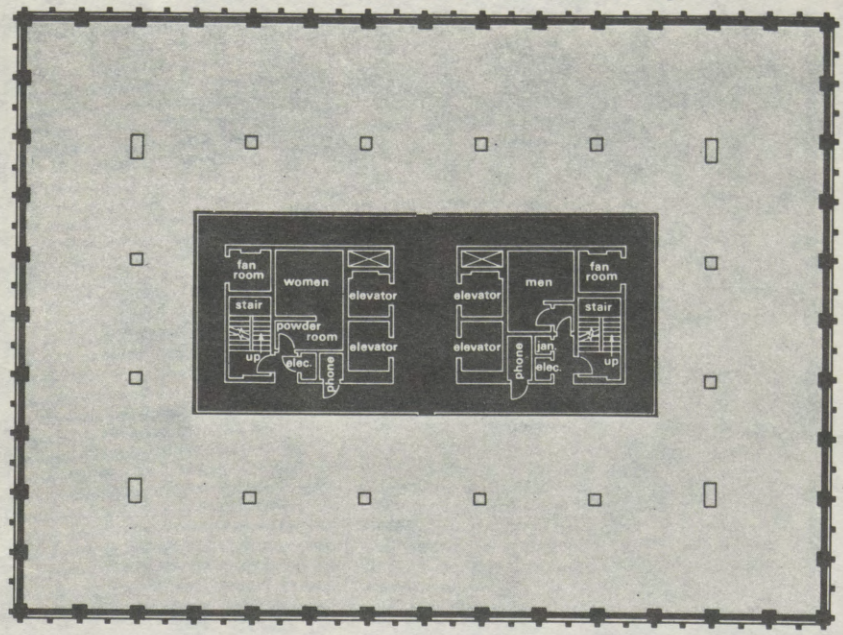
DEDUCTIONS:

A. STAIRWELLS
B. ELEVATOR SHAFTS
C. FLUES, PIPE SHAFTS AND VERTICAL DUCTS
D. FAN ROOMS, ELECTRICAL CLOSETS, FRAME ROOMS AND JANITOR CLOSETS

– 975 SQ. FT.

RENTABLE AREA – SINGLE TENANCY = 13,405 SQ.FT.

RENTABLE AREA-MULTIPLE TENANCY FLOOR (GSA OCCUPIABLE AREA)



COMPUTATION: INSIDE GROSS = 14,380 SQ.FT.

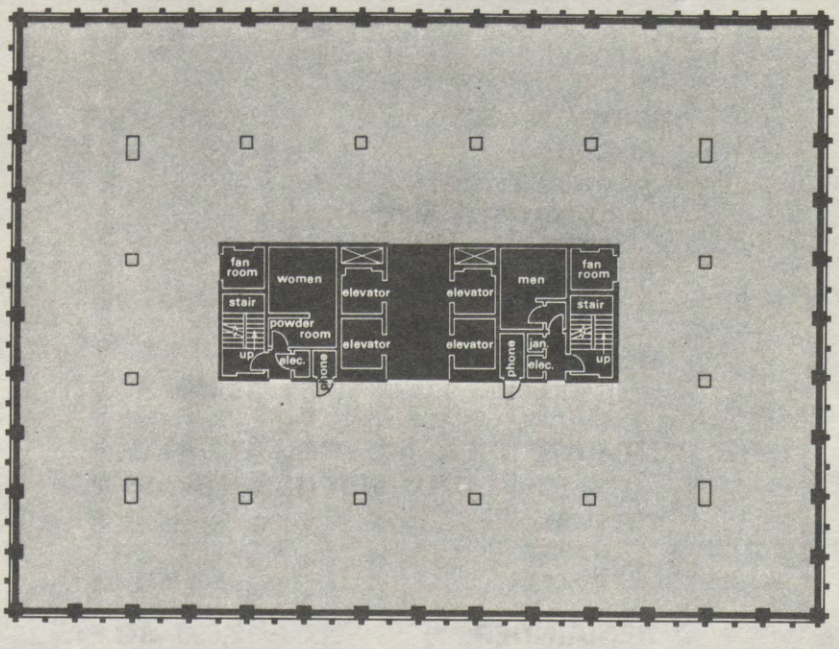
DEDUCTIONS:

- **A. STAIRWELLS**
- **B. ELEVATOR SHAFTS AND LOBBIES**
- **C. FLUES, PIPE SHAFTS AND VERTICAL DUCTS**
- **D. FAN ROOMS, ELECTRICAL CLOSETS, FRAME ROOMS AND JANITOR CLOSETS**
- **E. TOILET ROOMS**
- **F. CORRIDORS (MUST BE ENCLOSED BY CEILING HIGH PARTITIONS UNDER THE OCCUPIABLE AREA COMPUTATIONS)**

–2,850 SQ.FT.

RENTABLE AREA – MULTIPLE TENANCY – GSA OCCUPIABLE AREA = 11,530 SQ.FT.

GSA NET USABLE AREA



COMPUTATION: INSIDE GROSS = 14,380 SQ.FT.

DEDUCTIONS:

A. STAIRWELLS
B. ELEVATORS SHAFTS AND LOBBIES
C. FLUES, PIPE SHAFTS AND VERTICAL DUCTS
D. FAN ROOMS, ELECTRICAL CLOSETS, FRAME ROOMS AND JANITOR CLOSETS
E. TOILET ROOMS

−1,690 SQ. FT.

12,690 SQ. FT.

F. CORRIDOR ALLOWANCE 10% OF REMAINDER

−1,269 SQ.FT.

NET USABLE AREA = 11,421 SQ.FT.

COMPARISON OF SPACE MEASUREMENT CRITERIA

INSIDE GROSS ..... = 14,380 SQ.FT.

DEDUCT:
- STAIRWELLS
- ELEVATOR SHAFTS
- FLUES, PIPE SHAFTS, ETC.
- FAN ROOMS, ELECTRICAL CLOSETS, ETC. ..... = 975 SQ.FT.

RENTABLE AREA-SINGLE TENANCY = 13,405 SQ.FT.

(FOR RENTABLE AREA-MULTIPLE TENANCY AND NET USABLE AREAS)

DEDUCT:
- LOBBIES
- TOILETS ..... = 715 SQ.FT.

REMAINDER ..... = 12,690 SQ.FT.

RENTABLE AREA-MULTIPLE TENANCY (GSA OCCUPIABLE AREA)

DEDUCT:
- ACTUAL CORRIDOR .... = 1,160 SQ.FT.

OCCUPIABLE AREA = 11,530 SQ.FT.

GSA NET USABLE AREA

DEDUCT:
- CORRIDOR ALLOWANCE 10% OF REMAINDER .... = 1,269 SQ.FT.

NET USABLE AREA = 11,421 SQ.FT.