

# Facilities Master Plan Report

*Understanding the Present ~ Planning for the Future*



# Planning & Administering Facilities In Service to the State Of Texas

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## **PREFACE**

*The purpose of this document is to apprise State leadership of agencies' current and projected facility requirements; recommend salient, cost effective initiatives to meet those needs; and establish a long-term asset management and development strategy to capitalize equity; monetize non-performing State assets and reduce dependency on commercially leased facilities.*

*This document is produced by the Texas Facilities Commission and satisfies reporting requirements contained in Texas Government Code, Sections 2165.055, 2165.1061(f),(h), 2166.101, 2166.102(b),(c), 2166.103, and 2166.104.*

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# Executive Summary

**The Texas Facilities Commission** (TFC, the Commission) supports state government through planning, asset management, design, construction, renovation, maintenance, and operation of state facilities. TFC manages 28.2 million square feet of owned and leased real estate assets supporting the needs of more than 100 agencies throughout 283 Texas cities at a total cost of \$230 million per year. Today, state agencies are housed in approximately 17.6 million square feet of state-owned facilities and 10.6 million square feet of state-leased facilities. TFC pays operating and maintenance expenses for its state-owned inventory through general appropriations and acts as lessee in state-

leased facilities for tenant agencies who pay lease expenses through general appropriations or other funding mechanisms.

The Facilities Master Plan Report (the Master Plan) as a comprehensive report satisfies statutory reporting requirements found in Texas Government Code, Title 10, Chapters 2165 and 2166. The Master Plan addresses the status and costs associated with TFC-owned and leased inventories, current utilization statistics, future state agency requirements, relevant real estate market information, and provides strategies to ensure efficient utilization and operation of state assets.

Understanding the fiscal challenges facing the State of Texas, the Commission is proactively pursuing strategic initiatives that will leverage existing resources and current market trends to improve utilization and operational efficiencies, provide cost savings, and create opportunities for the State to generate significant revenues from non-tax sources. It is important to note that these initiatives are multi-year projects and plans that require substantial work to be completed in the coming biennium to lay the groundwork necessary for investment in these projects to yield maximum financial and operational benefits to the State.

## A. Accomplishments

### *Space Programming and Operational Efficiencies in State Owned Buildings*

TFC is managing renovation projects in the Stephen F. Austin Building (SFA) and William B. Travis Building (WBT) which are scheduled for completion in late spring of 2011 and fall of 2012 respectively. SFA and WBT represent two of the Commission's largest state office facilities and are located adjacent to each other on the west and east sides of North Congress Avenue within the Capitol Complex.

Commission staff has worked closely with tenant agencies throughout these multi-year projects to redesign and reconstruct office layouts to improve functionality, space use efficiency and update workspaces incorporating new technological and furnishing advancements. As a result, the projects will recover approximately 70,000 square feet of office space within SFA and WBT. TFC estimates these projects will provide state-owned office space for 301 employees currently in leased facilities and allow agencies to eliminate \$3.2 million in lease costs over the Fiscal Year (FY) 2012-2013 biennium.

## B. Initiatives

### *Combined Heat and Power Plant for the Capitol Complex (CHP)*

TFC is studying a comprehensive energy management strategy for the state to generate its own electricity to serve the Capitol Complex. Current annual electric expenses total \$13 million to \$14 million and, according to preliminary studies, the state could reduce costs by \$4 million to \$6 million by producing its own electricity. Under the plan, instead of buying electricity from Austin Energy as it does today, the State would build a combined heat and power plant facility with natural gas generators, a large thermal energy storage tank and other equipment necessary to serve the Capitol Complex. The new plant would provide the Capitol Complex a backup power system for the first time in history. An in-depth engineering and economic study is currently underway to determine

**\$13-14 million** each year. Early studies indicate savings of **\$4-6 million** per year if the state made its own electricity to serve the Capitol Complex.

whether and to what extent the State would benefit from producing its own power to serve the Capitol Complex.

### *Comprehensive Asset Management & Development Strategies to Maximize Utilization and Value*

*Capitol Area Initiatives: Composed of 4 major sites: Capitol Complex, North Austin Complex, Bull Creek Annex, and Park 35 Complex*

#### 1. CAPITOL COMPLEX

The Capitol Complex is located between downtown Austin and the University of Texas. State owned property within the complex totals 122 acres, the equivalent of 70 city blocks. The complex contains the Capitol Building and grounds, state office buildings, garages and surface lots. TFC has identified approximately 21 acres of under-developed state-owned assets within the complex, mostly comprised of parking lots and garages, outside of the Capitol grounds.

Under-developed property in the Capitol Complex has the potential to provide an additional **7.1 million Sq. Ft.** of newly built facilities; TFC has identified approximately **1.3 million Sq. Ft.** of state leases for consolidation into new state office facilities; and the remaining **5.8 million Sq. Ft.** represents a significant new non-tax revenue generating opportunity to the State.

Preliminary studies indicate the development potential of these under-developed assets could yield an additional 7.1 million square feet of new facilities, double the amount of space currently used to office state employees. The Commission has identified approximately 1.3 million square feet of Austin area administrative state leases for consolidation into new state facilities. These facilities can be constructed on under-developed holdings. The targeted leases serve 5,500 employees at a cost of \$16.7 million per year. The remaining 5.8 million square feet of under-developed properties could generate significant non-tax revenues if developed for market driven mixed uses. Commission staff is currently researching long term ground lease agreements with the private sector as a means to achieve highest and best value to the state. Assumptions for determining the re-development potential of the Capitol Complex included City of Austin development standards for set-backs and floor-to-area ratios and adherence to statutory Capitol View Corridors. The City of Austin is implementing a new Downtown Austin Plan which includes urban transportation options and re-development plans that significantly enhance the value of all state-owned assets in the Capitol Complex.

TFC has identified **80 acres** of under-developed assets in the North Austin Complex; **812,000 Sq. Ft.** of commercial leases costing **\$11.4 million** a year can be absorbed in new facilities constructed on existing state land; and yield approximately **60 acres** for redevelopment.

## 2. NORTH AUSTIN COMPLEX

Located in the vicinity of 45th Street, 51st Street and N. Lamar Boulevard, the state owns 326.5 acres which comprises the North Austin Complex. This complex serves as headquarters for the Texas Health and Human Services Commission (HHSC) and its departments, the Texas Youth Commission and the Texas Juvenile Probation Commission. The North Austin Complex is made up of office, laboratory and hospital buildings, parking garages and lots throughout six campuses: the J. H. Winters State Office Building; the Brown-Heatly State Office Building; the Department of State Health Services campus; the Texas School for the Blind and Visually Impaired campus; the Triangle; and the Austin State Hospital campus.

At present, there are approximately 80 acres of under-developed property in the North Austin Complex. TFC staff estimates the complex's development potential can absorb all administrative HHSC functions currently housed in leases in the Austin area (approximately 800,000 square feet) and yield 60 acres of under-utilized property. The 60 acres of under-utilized acreage has significant potential to generate a perpetual non-tax revenue stream if jointly developed in accordance with an urban infill master plan incorporating a wide variety of revenue-generating land uses such as single and multifamily residential, and commercial uses.

## 3. BULL CREEK ANNEX

Located adjacent to Bull Creek Road and West 45th Street, the state owns 76.7 acres of under-developed property. The Texas Department of Transportation currently utilizes 29.5 acres for office, training, warehouse, motor pool, laboratory, and research facilities. The remaining 46.2 acres is undeveloped and set aside for future state cemetery expansion. According to the Texas General Land Office (GLO), state cemetery expansion will not be needed for next 30-60 years. This property has significant potential for an urban infill master planned unit development, or interim-use strategies in an area where high-value developable land is rapidly diminishing.

The Bull Creek Annex represents **76.7 acres** of development potential. TFC manages **46.2 acres** designated for state cemetery expansion which won't be needed for **30 to 60 years**.

## 4. PARK 35 COMPLEX

Located on N. IH 35 near Yager Lane in north Austin, the state owns 28 acres of land with 5 state office buildings (approximately 500,000 square feet) and parking lots that serve the office and laboratory needs of the Texas Commission on Environmental Quality as well as the Board of Professional Land Surveyors. Further studies are required to assess the full development potential of the Park 35 Complex.

### *Statewide Owned and Leased Facilities*

Outside the Austin area, TFC owns seven state office buildings located in Houston, Fort Worth, San Antonio, El Paso, Corpus Christi, Tyler, and Waco. These state-owned facilities were added to the Commission's inventory between 1975 and 1999 and contain 866,000 square feet serving agencies previously housed in commercially leased facilities.

New lease consolidation opportunities are being studied in **8 cities** where over **180 leases** are planned to be replaced by **18** new or existing facilities.

Statewide, TFC manages over 1,000 leases totaling 10.6 million square feet at a cost of approximately \$147 million each year. Office space accounts for 9.2 million square feet (87%) of TFC's lease portfolio and \$135 million (92%) of the total costs; leased warehouse, laboratory, print shop, parking and other support facilities account for 1.4 million square feet and \$12 million of the total costs. Since 1987 leased space increased from 6.8 to 9.2 million square feet while annual cost expanded from \$43.3 to \$134.8 million (+200%). Since 2008 leased space increased by 795,000 square feet (+9%) while annual costs expanded by \$17.5 million (+15%)

The State has maintained a long-term lease presence in the majority of real estate markets throughout Texas due to the lack of state-owned alternatives. For example, the State leases approximately 3 million square feet in Travis County at a cost of approximately \$43 million annually. Lease expenses in Travis County from 1990 to 2010 exceeded \$501,000,000. From 1999 to 2009 the lack of State owned space in Travis County exposed the State to a 250% increase in lease expenses. Similar conditions exist on a smaller scale throughout Texas.

Statewide 803 (73%) of existing leases totaling 7.6 million square feet will expire over the next six years. Considering the forecast for increased population growth in Texas and the likelihood of a continued need for services, the Commission is assessing long-term (40 to 50 year) statewide

facility needs and implementing a proactive consolidation strategy to position the State to take advantage of market opportunities to expand ownership. The Commission's consolidation of administrative office space has proven to reduce the volume of space required by 10-20% in recently completed state-owned renovations. Consolidating agencies into centralized facilities reduces costs through elimination of redundant space and sharing facility resources and improves access to services for taxpayers. TFC staff identified 8 cities, with 182 leases totaling 2.1 million square feet targeted for lease consolidations into 18 centralized sites over the next 6 years. TFC is currently staging lease renewals and realigning lease expirations dates to terminate concurrently over the next three biennia to enable the State to pursue cost-effective consolidation projects.

The current economy offers an auspicious window of opportunity for the TFC consolidation strategy. Beginning in 2010, for the first time in U.S. history, commercial mortgage maturities will fluctuate between \$250 and \$300 billion each year through 2015. Commercial real estate conditions remain weak; the capital market lacks liquidity; and as demand for refinancing increases there will be expanding opportunities for the State to negotiate favorable terms with distressed owners, lenders and asset managers. In these instances TFC will compare the benefits of perpetual leasing versus building new state facilities versus acquisition of distressed assets.





# Report on State Facilities

## A. Reporting Requirements

This document is produced by TFC and satisfies reporting requirements contained in Texas Government Code, Title 10, Chapters 2165 and 2166. The following information sets out the specific statutory reporting requirements addressed in this document. Although the Commission intends that this document taken as a whole satisfies the reporting requirements contained in Chapters 2165 and 2166, specific portions of the FMP are cited below for quick reference.

In accordance with Government Code Section 2165.055 this report contains:

- ▶ A list of improvements and repairs that have been made, with an itemized account of receipts and expenditures (see Appendix K); and
- ▶ A list of the property under the Commission's control, the condition of the property, and an estimate of needed improvements and repairs (see Appendices B, J, and M).

In accordance with Government Code Section 2165.1061 this report contains:

- ▶ Information concerning efforts to co-locate administrative office space of state agencies (see Part III, C. Initiative II – Capitol Area Development Strategy and Initiative II I – Statewide Lease Consolidation Strategy);
- ▶ Information on state agency administrative office space in Travis County, including recommendations for the most cost-effective method by which a state agency could comply with the requirements of Government Code Section 2165.104(c), including amount and cost of office space that could be reduced or eliminated, moving costs and expenses associated with reductions

in space, and the earliest date by which the space reductions could be achieved. (See Part II, Efficiency Strategies)

In accordance with Government Code Section 2166.101, this report contains building and construction cost information for state-owned buildings (see Appendix F). In accordance with Government Code Sections 2166.102 and 2166.103, this report contains:

- ▶ A projection of the amount of space that state agencies will need (see Part II, D. State-Leased Facilities, Demand and Supply);
- ▶ An examination of the utilization, age, condition, and economic life of state-owned buildings on the Commission's inventory (see Appendix M);
- ▶ An analysis of the projects that have been requested by state agencies (see Appendix G);
- ▶ An examination of the extent to which the State satisfies its need for space by leasing (see Part II, D. State-Leased Facilities);
- ▶ An examination of state-paid operation, maintenance, and telecommunications costs for existing buildings owned or leased by the State (see Part II, C. State-Owned Facilities and D. State-Leased Facilities; see also Appendices D and E);
- ▶ A discussion of the economic and market conditions affecting building construction or lease costs throughout the State (see Part III, Initiatives);
- ▶ An analysis of whether the State will benefit more from satisfying its needs for space by buying, renting, building, or leasing facilities (see Part III, Initiatives);
- ▶ Recommendations for cost-effective strategies to meet state agencies needs in counties in which more than 50,000 square feet of usable office space is needed (see Part III, B. Initiative II – Capitol Area Strategy and C. Initiative III – Statewide Lease Consolidation Strategy); and

- ▶ Other relevant information.

In accordance with Government Code Section 2166.104, this report contains information concerning projects that have been requested by state agencies, including:

- ▶ A brief and specific justification prepared by the using agency for each project;
- ▶ A summary of the project analysis or, if the analysis was not made, a statement briefly describing the method used to estimate costs for the project;
- ▶ A project cost estimate;
- ▶ An estimate, prepared by the Commission with the cooperation of both the using agency and any private design professional retained, of the annual cost of maintaining the completed project, including the estimated cost of utility services; and
- ▶ An estimate, prepared by the using agency, of the annual cost of staffing and operating the completed project, excluding maintenance cost.

Some state agencies and institutions are excluded from TFC’s planning, design, construction and management statutory responsibility. These include: institutions of higher education; military facilities; facilities owned or operated by the Texas Department of Criminal Justice, the Texas Parks and Wildlife Department, the Texas Department of State Health Services, the Texas Department of Assistive and Rehabilitative Services, the Texas Workforce Commission, employee retirement systems, the Texas Youth

Commission, the Texas Department of Transportation, the Texas Historical Commission and the State Preservation Board.

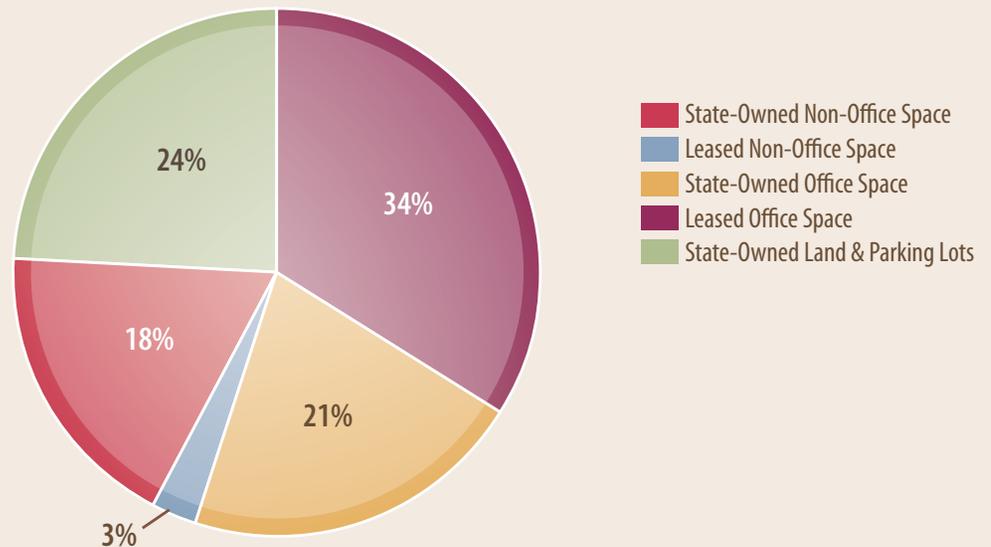
## B. Overview of TFC Owned and Leased Facilities

This section of the report contains supporting research and planning materials utilized in developing the Commission’s master plan for Capitol area and statewide facilities. Following is an overview of state leased and owned facilities under the management of TFC.

TFC managed 28.2 million square feet of leased and owned facilities for 103 state agencies housing over 62,600 employees throughout 283 Texas cities at a cost of \$230 million during FY2009. The State spent \$83 million on state-owned facilities paid by the Commission and \$147 million for leased sites paid by tenant agencies. Expenditures for state-owned facilities in FY2010 are estimated to decrease by 10%, to approximately \$75 million, and state-leased costs are forecast to approach \$148.1 million.

The Commission also supports other non-inventory facilities in Austin by providing and managing central steam and chilled water plant services to the Capitol, the Capitol Extension, the Capitol Complex Visitor’s Center,

**TFC Facility Inventory – Use Distribution**



*The majority of state-owned and leased facilities are located in 29 cities which are profiled in 'Appendix H' of this report.*

and the Dewitt C. Greer Building. The following chart illustrates the components of the Commission's state-owned and leased inventory.

## C. State-Owned Facilities

TFC managed 44 office buildings totaling 6 million square feet of office space; 40 warehouse and miscellaneous buildings and parking garages totaling 5 million square feet; and 36 surface parking lots totaling 3.6 million square feet in FY2009. The Commission's inventory also includes 2.9 million square feet of cemetery facilities and vacant land. TFC facilities

TFC STATE OWNED FACILITY INVENTORY BREAKOUT			
	NO. OF FACILITIES	SQUARE FOOTAGE	NO. OF CITIES
Office	44	6,029,051	8
Warehouse/Storage	9	394,805	5
Miscellaneous	13	497,518	1
Parking Garages	18	4,122,372	2
Parking Lots	36	3,598,008	8
<b>SUBTOTAL</b>	<b>120</b>	<b>14,641,754</b>	<b>8</b>
Land	3	2,929,196	1
<b>GRAND TOTAL</b>	<b>123</b>	<b>17,570,950</b>	<b>8</b>

are located in eight cities: Austin, Corpus Christi, El Paso, Fort Worth, Houston, San Antonio, Tyler, and Waco. Please refer to Appendix B of this report for a complete listing of the Commission's owned and managed facilities.

Facility operating expenditures totaled \$83 million during FY2009. Operating costs include: utilities, maintenance, janitorial services, and bond debt payments. The majority of TFC-managed facilities are located in the Austin metropolitan area primarily within the Capitol Complex, the North Austin Complex, the Park 35 Complex, and the William P. Hobby Complex in the central business district. State office space within these campuses totals 5.2 million square feet, or 87% of the Commission's entire inventory of state-owned office space.

The average age of office buildings on the Commission's inventory is **38 years** old. The Commission last constructed a new state office building in 2000, the Robert E. Johnson Building located in the Capitol Complex.

Excluding cemetery and vacant land, office space accounts for 40% of the TFC inventory and 73%, or \$61.1 million, of total expenditures. The average operating cost for TFC owned office space was \$10.13 per square foot in FY2009. State ownership costs were approximately \$4.50 per square foot per year less than the statewide average of \$14.66 spent on state-leased office space. A detail of state-owned office space expenses for TFC buildings is illustrated in Appendix D of this report.

The average age of TFC state-owned office buildings is 38 years old. Operating and maintaining an aging inventory presents challenges to improve efficiencies and reduce costs, particularly as related to utility consumption and requirements for the repair and replacement of building systems.

### Utility Costs

Utility costs for state facilities managed by TFC account for 50% of the agency's general revenue budget. For the FY2010-2011 biennium, approximately \$34.3 million was appropriated to the Commission for utilities. This amount did not fund an exceptional item for projected utility shortfalls requested by the Commission in its Legislative Appropriations Request (LAR) for FY2010-2011. As a result, TFC anticipates a shortfall of approximately \$2.2 million in utilities for the biennium. TFC will request a supplemental appropriation in the upcoming 82nd Legislative Session. Even if the supplemental request is approved, the shortfall of utility appropriations for FY2010-2011 resulted in a baseline budget level for FY2012-2013 that will produce an estimated shortfall for utilities in the amount of \$1.53 million in FY2012 and \$1.78 million in FY2013.

Payments to Austin Energy, the utility company owned by the City of Austin, for electricity represent approximately 90% of all utility expenditures made by TFC. Austin Energy has notified customers to expect an increase in base electric rates by as much as 20% or more beginning at some point in the year 2011. Water and wastewater charges by the City of Austin are also projected to increase by approximately 3% each year, resulting in an additional anticipated increase of \$130,000 for FY2012 and \$197,000 for FY2013.

### Deferred Maintenance (DM)

Ownership costs include repair and replacement of worn or obsolete building systems and components that include roofs, elevators, chillers, pumps, lighting, electrical equipment, life-safety systems, and interior/exterior finishes. Repair and replacement of these systems is often postponed due to funding priorities, placing them in the deferred maintenance (DM) category of building projects.

In 2006, TFC commissioned a national consulting firm to conduct a comprehensive assessment of its facilities to determine the volume of DM work required. The assessment included 88 state-owned and managed facilities totaling 6.9 million square feet. Investigations and assessments were performed by teams of highly-qualified architects and engineers.

Their findings indicated a budget estimate for capital funding of nearly \$400 million to address repair and renovation needs identified at that time.

The budget estimate was derived after the collective DM needs were quantified in terms of the Facility Condition Index (FCI). FCI is a measure widely used in the building industry to represent the physical condition of a facility and is expressed as the ratio of repair costs to replacement value of the facility. The higher the FCI, the poorer the condition of the facility.

$$\text{FCI} = \text{Repair Costs} / \text{Replacement Value}$$

The current FCI for the Commission's office buildings is 24%, with a range of 0.06% to 72% among individual buildings. By comparison, world-class commercial hotel properties have an FCI of 5% and commercial office properties managed by leading developers routinely maintain an FCI of less than 10%. Few inventories of publicly-owned facilities attain an overall rating of 10% or less. Profiles of assessed facilities including current FCIs are provided in Appendix K of this report.

A total of \$85.6 million has been spent on DM projects throughout the entire TFC inventory since 2006 and the overall FCI has improved 5% (from 29% to 24%). A listing of buildings and associated improvements and repair expenditures is provided in Appendix J of this report.

In the FY2010-2011 LAR submitted to the 81st Legislature, the Commission proposed a ten-year DM program that would have substantially reduced the existent backlog of projects. The funding required to carry out the program as proposed was not fully appropriated in the amounts identified and, therefore, the program is no longer on track. As projects continue to be deferred, the risk to continuity of operations and health and life safety increases. The repairs and renovations previously projected for future biennia have now reached a more critical level.

During FY2010, TFC spent \$6 million dollars of an active DM project budget of \$29 million appropriated by the 81st Legislature. Current project schedules indicate the remainder of the \$29 million will be spent during FY2011. Remediation of an extensive backlog of needed repairs and renovations for all state-owned buildings maintained by TFC is still needed. The Commission has requested an exceptional item in the amount of \$82.5 million in its LAR submission for the FY2012-2013

biennium to adequately respond to the extensive backlog of DM projects. The current projected capital funding budget for DM totals \$351.44 million to maintain the current condition of the Commission's buildings.

The TFC capital improvement expenditure estimates are made up of individual repair or rehabilitation projects ranked in order of priority according to the following categories and criteria:

- ▶ Items that will negatively impact the health and safety of tenant agencies if not corrected;
- ▶ Items that are needed to support essential state operations; and
- ▶ Items that impact the cost-effectiveness of the facility.

A breakdown of the facilities, brief project descriptions, and estimated DM costs for the FY2012-2013 biennium is provided in Appendix I of this report.

In light of the magnitude of the State's current budget concerns, the Commission's DM funding request for FY2012-2013 includes only those projects necessary to reduce risks to continuity of operations and health and life safety. It should be noted that as other projects that are deemed less critical at this time are delayed, the rate of deterioration and repair or replacement costs for those projects will increase exponentially. As funds are appropriated, TFC will continue to re-evaluate its repair and renovation requirements and propose a program that will most effectively reduce the DM backlog.

### Efficiency Strategies

The Commission has undertaken several pro-active efficiency initiatives to reduce energy consumption and costs as well as improve office space utilization efficiency in its owned and leased facilities. Following are summaries of these initiatives:

#### Combined Heat and Power Plant

TFC is currently conducting a feasibility study to determine the cost-benefit of the State producing its own power through a single, interconnected combined heat and power (CHP) energy system providing chilled water and steam to serve the Capitol Complex. This study includes the evaluation of utilizing CHP to generate electricity and thermal energy from a single fuel source. By capturing and using the heat produced from the production of energy that would otherwise be wasted, CHP

systems typically consume 40% less fuel than separate heat and power systems to produce the same amount of energy. The Commission's current electric expenses for the Capitol Complex range from \$13 million to \$14 million annually and, according to preliminary studies, the State could reduce these annual costs by

### CAPITAL IMPROVEMENT EXPENDITURE PROJECTIONS

FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 & Beyond	Total Project Expenditures
\$21,442,000	\$41,250,000	\$41,250,000	\$41,250,000	\$206,250,000	\$351,442,000

\$4 million to \$6 million, or 30% to 40%, by producing its own electricity. Under the plan, instead of buying electricity from Austin Energy as it does today, the State would build a CHP plant facility with natural gas generators, a large thermal energy storage tank, and other equipment necessary to serve the Capitol Complex. In addition to lowering energy costs, creating its own power supply would provide the State with ample redundancy between its plant and Austin Energy to ensure the continuity of mission-critical functions and provide the Capitol Complex with a backup power system for the first time in history. The facility could be constructed below ground, within a parking garage, or incorporated into the design of a new state office building. CHP plants, commonly referred to as cogeneration, are not new technology. Similar systems operate in the basement of the Empire State Building in New York City and on California's State Capitol campus in Sacramento. Locally, the University of Texas generates its own electricity with cogeneration.

As part of ongoing efforts to increase energy efficiency and reduce energy costs, TFC completed a major lighting fixture retrofit project in multiple state buildings in 2010 that will reduce electricity consumption and is estimated to yield savings of \$698,000 per year in the FY2012-2013 biennium. These savings are factored into the Commission's exceptional item request in its LAR for FY2012-2013. TFC is also implementing a number of projects that are targeted to achieve substantial energy savings for the State. These projects include window film installation, advanced lighting controls, replacement of aging systems with ultra-high efficiency equipment, building commissioning, and an energy management system.

#### **"MINIMAX" Centralized Trash/Recycling Program – Minimum Waste, Maximum Recycling**

The miniMAX program was implemented in all TFC-managed facilities in late 2010. Each tenant has been issued a one gallon trash bin and a five gallon recycling bin. Tenants are responsible for emptying these bins into central trash and recycling containers which are emptied by building custodians. miniMAX is estimated to eliminate \$825,000 annually in custodial contract costs for the State. miniMAX is also projected to generate \$30,000 to \$40,000 annually in additional recycling revenues resulting from an increase in the volume of recycling, which has already risen by approximately 13% to date. Reduction in trash bills could also save as much as an additional \$45,000 a year. Informal surveys show a 25% reduction in trash volume. All 88 agencies in TFC-managed facilities, with a total of 21,000 employees, are participating in the program. Setting up the program cost \$195,000 in one-time expenses to purchase large central collection trash and recycling containers; miniature trash and desk-side recycling bins for each tenant; additional labor to set up the bins; and informational flyers and signage. A significant portion of the existing trash and recycle bins had previously been scheduled for replacement and these expenses were recouped within four months of the program's commencement.

#### **Daytime Cleaning**

TFC has moved custodial services from nighttime to daytime in order to reduce electricity costs. Most research shows that daytime cleaning produces savings of 8% to 15% on electric bills. Using a very conservative estimated savings rate of 3% to 7%, the State could save \$500,000 to \$1,000,000 per year through this initiative.

#### **Improving Space Use Efficiencies**

Since 2000, office space use efficiency has improved, reducing space utilization rates from 236 to 225 square feet per full-time equivalent employee (FTE). The reduction of 11 square feet per FTE is significant as it equates to approximately 238,000 square feet, or a lease cost avoidance of \$3.5 million per year at today's statewide average lease rate of \$14.66 per square foot per year. These efficiency improvements were influenced to some degree by previous statutes restricting FTE space allocations, however, most of these gains are the result of professional planning and programming provided to agencies by the Commission. As a result, TFC office buildings throughout its entire inventory have reached maximum occupancy loads.

At this time, TFC is managing renovation projects in two state office buildings in the Capitol Complex that will result in approximately 70,000 additional square feet of usable space. Tenant agencies have been selected from leased facilities to occupy the space yielded from these projects and relocation of these agencies is projected to eliminate lease expenditures of \$3.2 million over the FY2012-2013 biennium. Upon completion of these projects, availability of state-owned office space will be exhausted. The following is a detailed summary of these projects.

A multi-year asbestos and renovation project in the Stephen F. Austin Building (SFA) will be completed in June of 2011. TFC has worked with tenant agencies throughout this project to provide more efficient workspaces and shared amenities that reflect current technologies and furnishings resulting in the recovery of an entire floor, approximately 28,000 square feet of usable office space, within SFA. This volume translates to 10% of the entire building. TFC has determined the recovered space is more than enough to meet the needs of the Texas Real Estate Commission (TREC) and the Office of Capital Writs, both of which will move from leased space into SFA. TREC has depended on commercially leased office space in Austin for more than 30 years. TREC's lease expenses exceeded \$457,000 for FY2009 and the agency's lease contract expires August 31, 2011, affording time for a smooth transition.

TFC has worked with the Texas Railroad Commission (RRC) over the last two years developing and implementing an office space master plan for their administrative space in the William B. Travis Building (WBT). RRC moved into the building 25 years ago and, to date, their space has not been updated to maximize space use efficiencies nor redesigned to meet functional requirements. RRC currently occupies office space on the 8th,

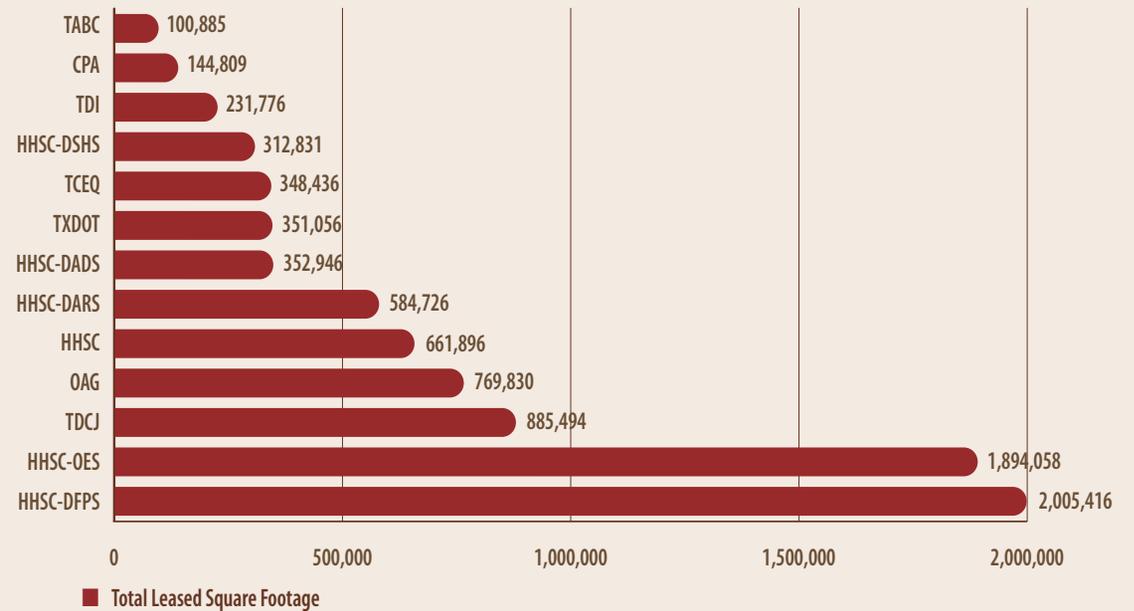
9th, and all of the 10th, 11th, and 12th floors. Upon completion of the project, RRC will occupy space on the 10th, 11th, and 12th floors of WBT. The redesign and consolidation of RRC operations will yield approximately 40,000 additional square feet of usable space located on the 8th and 9th floors. This volume equates to 10.5% of the entire building. Current commercial lease rates in Austin place the value of this recovered space at \$800,000 to \$1,000,000 per year. The 12th floor has been completed and the 10th and 11th floors are currently in the design and estimating phase. The recovered space will provide adequate facilities for over 200 FTEs who currently occupy commercially leased office space in Austin. Project completion is scheduled for October 2012.

While TFC office buildings have reached maximum occupancy, there is approximately 177 acres of underdeveloped state-owned land and facilities in the Capitol area. These underdeveloped assets are placeholders for the future facility needs of state government and were gradually acquired for that purpose over the last 50 years. Possible uses for these properties are the focus of the Initiatives section of this report. The Commission's proposed initiatives call for starting a process of progressive in-depth analyses to determine the highest and best value of existing state-owned assets; investigating the potential of these assets to meet the need for centralized, state-owned facilities in the immediate future; and evaluating potential uses of the remainder of these assets to generate significant revenues for the State over the next 50 to 100 years from new, non-tax sources until such time as the assets are needed to accommodate state government functions.

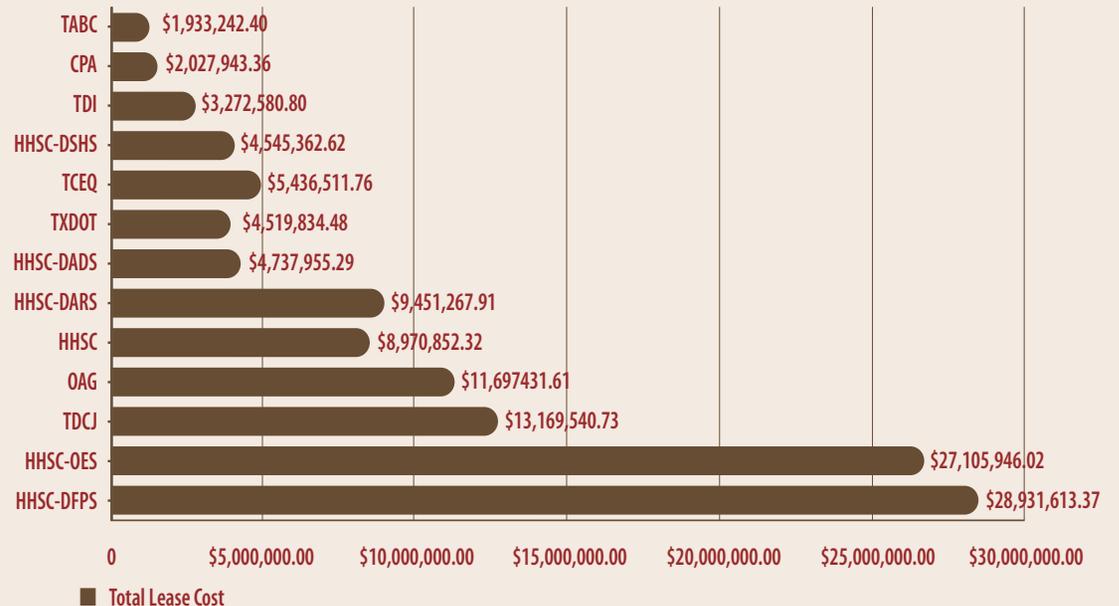
## D. State Leased Facilities

The Commission manages a portfolio of more than 1,000 leases totaling 10.6 million square feet of commercial facilities to meet the needs of 42,500 FTEs throughout 283 Texas cities. Lease expenditures totaled \$147 million during FY2009. Lease expenditures for FY2010 are estimated to approach \$148.1 million. Office space accounts for 87%, or 9.2 million square feet, of the TFC-leased inventory and 92%, or \$135 million, of total lease costs. Warehouse, laboratory, print shop, parking and other support facilities make up the balance of the leased inventory totaling 1.4 million square feet at a cost of \$12 million per year. TFC also manages single office leases in the District of Columbia, New York, California, Illinois, and Oklahoma. Of the 75 tenant agencies in the Commission's leased inventory, more than 90% of commercially-leased office space is occupied and paid by 13 agencies or departments. Each of these agencies leased in excess of 100,000 square feet of office space in FY2009. Respective leased office square footages and costs are depicted in the accompanying

**FY-09 Leased Office Square Footage - State Agencies Leasing More than 100,000 Sq. Ft.**



**FY-09 Leased Office Space Costs - State Agencies Leasing More than 100,000 Sq. Ft.**



## LEGEND OF AGENCY NAME ABBREVIATIONS

<b>TABC</b>	Texas Alcoholic Beverage Commission
<b>CPA</b>	Texas Comptroller of Public Accounts
<b>TDI</b>	Texas Department of Insurance
<b>TCEQ</b>	Texas Commission on Environmental Quality
<b>TXDOT</b>	Texas Department of Transportation
<b>HHSC</b>	Texas Health and Human Services Commission
<b>HHSC-DADS</b>	HHSC Department of Aging and Disability Services
<b>HHSC-DARS</b>	HHSC Department of Assistive and Rehabilitative Services
<b>HHSC-DSHS</b>	HHSC Department of State Health Services
<b>HHSC-OES</b>	HHSC Office of Eligibility Services
<b>HHSC-DFPS</b>	HHSC Department of Family and Protective Services
<b>TDCJ</b>	Texas Department of Criminal Justice
<b>OAG</b>	Office of the Attorney General

charts. A current listing of the Commission's lease portfolio can be viewed on the Internet at <http://www.tfc.state.tx.us/divisions/facilities/prog/leasing/> by clicking on Active Lease Summary Report.

Some of the TFC leased inventory is made up of "free" space where interlocal government lease agreements provide for the shared use of local municipal or non-profit facilities at no cost or at reduced rates. For example, in FY2009 the TFC inventory contained 54 of these agreements for a total of 255,000 square feet at an annual cost of \$580,000. The average rate of \$2.27 per square foot per year reflects agreements where state agencies pay some portion of building operating or finish-out expenses. Economic conditions and population growth throughout Texas

**803 (73%)** of existing leases totaling **7.6 million Sq. Ft.** will expire over the next 6 years... FY2010 lease expenditures are estimated at **\$148.1 million**... Office space accounts for **9.2 million Sq. Ft. (87%)** of TFC's lease portfolio and **\$135 million (92%)** of total costs.

are expected to drive many of these arrangements to full-service cost structures or cancellation as local governments seek to increase revenues or need the space to meet their own expanding needs.

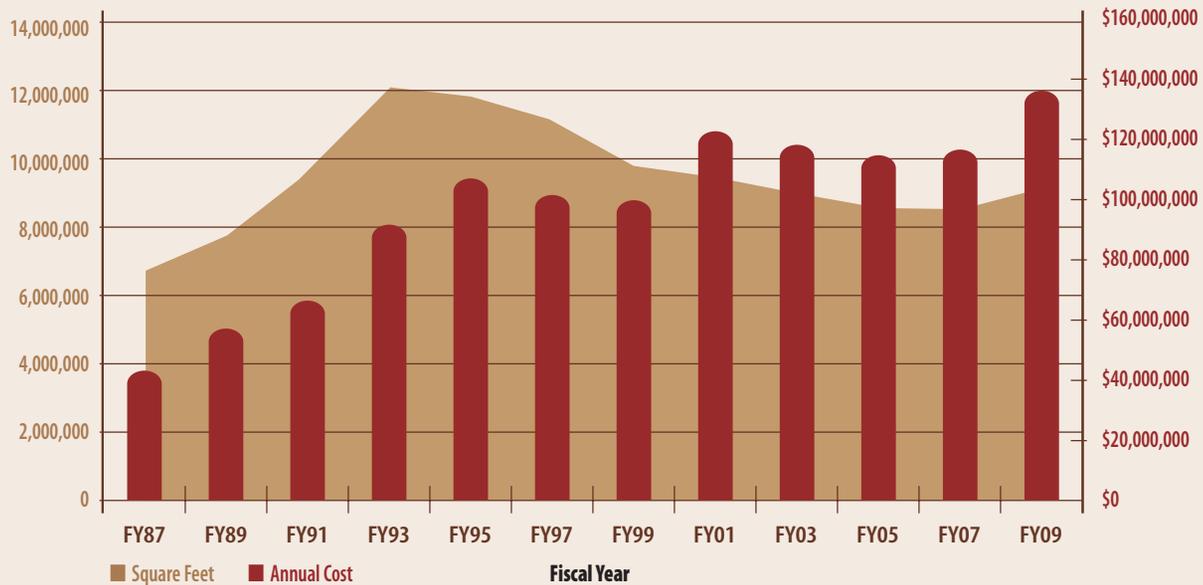
Statewide office lease costs averaged \$14.66 per square foot per year in FY2009. Based on analyses of 28 Texas cities where TFC leases more than 50,000 square feet of office space, the State's average lease costs are 11% below published market rates. In terms of the volume of the State's leases, this below-market average rate equates to savings of approximately \$11.8

Since 1987 leased space increased from **6.8 to 9.2 million Sq. Ft.** while annual cost expanded from **\$43.3 to \$134.8 million (+200%)**... Since 2008 leased space increased by **795,000 Sq. Ft. (+9%)** while annual costs expanded by **\$17.5 million (+15%)**.

million per year. These costs reflect full-service lease rates that include rent, utilities, and custodial services and reflect expenditures reported by tenant agencies that are collected through a biennial space needs survey conducted by TFC.

While significant, the blended rate of \$14.66 neither reflects varying market conditions nor the age and expiration of current leases. TFC will continue to negotiate lease rates below market averages, but eventually

## Leased Office Costs & Square Footage



State-owned facilities are at **100%** occupancy levels... State-leased space increased from **6.8 to 9.2 million** square feet since 1987. During this same period, annual lease costs for office space increased from **\$43.3 to \$134.8 million**, an increase of **200%**.

market corrections will occur. The Commission's historical leasing data illustrates this reality. The following chart depicts the State's leasing volume and cost trends since 1987.

Section 2165.107 of the Texas Government Code requires that the Commission prioritize assignment of space to agencies in state-owned facilities. The Commission's state-owned facilities are at 100% occupancy levels. In lieu of available state-owned facilities, the State's dependency on commercially-leased space has dramatically increased. State-leased office space for tenant agencies increased from 6.8 to 9.2 million square feet, an increase of 64%, throughout the State since 1987. During this same period, annual lease costs increased from \$43.3 to \$134.8 million,

an increase of 200%. In the last two year period, the State's volume of commercially-leased space rose by 795,000 square feet (+9%) while costs increased by \$17.5 million (+15%). The disparity between volume and cost reflects market corrections that occur when negotiating renewals or transitioning between leased facilities. The Commission's historical lease records indicate the State spent in excess of \$501 million since 1990 for commercially-leased facilities in the Austin area alone.

As reported, state lease expenditures totaled \$147 million for FY2009. The real estate market for commercial office space is projected to remain flat for the next several years. Predicting future lease costs is not an exact science and TFC assessed several factors to develop estimates for the following four year period. Assumptions used in the estimates shown in the following table include: historical data, renewal rates, utility

In the last two year period, the State's volume of commercially leased space rose by **795,000 square feet (+9%)** while costs increased by **\$17.5 million (+15%)**... The State spent in excess of **\$501 million** since 1990 for commercially-leased facilities in the Austin area alone.

## FORECAST OF STATEWIDE LEASE COSTS

Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
\$ 148.1 million	\$ 149.3 million	\$ 150.5 million	\$ 151.9 million

costs, custodial costs, escalations based on the Consumer Price Index (CPI) adjustments, and demand for additional space based on agencies' responses to the Commission's biennial survey of space needs.

### Demand and Supply

In early 2010, tenant agencies forecast employee growth at the rate of .05% per year over the next 6 years. To keep pace with this growth, the State will need to provide 74,000 square feet of new office space annually over the next three biennia. Agencies' projected FTE growth/space needs information was provided prior to announcement of an impending budget shortfall for state government. Defining the State's facility needs will become clearer as the 82nd Legislative Session proceeds. If recent history is indicative of the future, and 1,000 or more people move to Texas daily, demand for additional space to house state government can be expected to increase.

To meet current and future demands for facilities, the Commission is creating strategic initiatives for both state-owned and leased facilities throughout Texas. These strategies are driven by the results of complex analyses which help determine whether to buy, build, or lease state facilities based on the highest, long-term benefit to the State.

The Commission is statutorily required to continually analyze the office space uses and needs of agencies and biennially prepare recommendations to state leadership on how to best meet the facilities demands of state government. Pursuant to this mandate, the Master Plan Report focuses on evaluating locations where the greatest opportunities for savings can be realized by either owning or leasing office buildings. These initiatives mirror state laws that direct TFC to evaluate:

- ▶ The benefits of ownership versus leasing in Texas counties where agencies lease a minimum of 50,000 square feet of office space; and
- ▶ The benefits from consolidating administrative leases into centralized sites in counties where the State leases office space and the population exceeds 75,000 people

### County and City Candidates for Buy and Renovate VS. Lease Analyses

At the close of FY2009, 25 counties met the prerequisite volume of leased office space to be included in the Commission's buy versus build versus lease cost-benefit analyses. These counties account for 78% of the Commission's entire leased office inventory, 7.1 of 9.2 million square

## COUNTIES WITH 50,000+ SQUARE FEET OF LEASED OFFICE SPACE

Bell	Dallas	Jefferson	Nueces	Tom Green
Bexar	Ector	Lubbock	Potter	Travis
Brazos	El Paso	McLennan	Smith	Walker
Brazoria	Harris	Midland	Tarrant	Webb
Cameron	Hidalgo	Montgomery	Taylor	Wichita

feet, and 92% of corresponding lease contract costs, \$135 of \$147 million. Leased facilities in the following counties met the Commission's minimum requirements for own versus lease evaluation reviews.

Cities in the requisite counties contain the majority of leased sites that become the focus for evaluations. The Commission identified a total of 28 cities with at least 50,000 square feet of leased office space. The following cities, listed alphabetically by county, comprise the Commission's initial

## CITIES WITH 50,000+ SQUARE FEET OF LEASED OFFICE SPACE

Abilene	Conroe	Harlingen	Odessa
Amarillo	Corpus Christi	Houston	San Angelo
Arlington	Dallas	Huntsville	San Antonio
Austin	Edinburg	Laredo	Temple
Beaumont	El Paso	Lubbock	Tyler
Brownsville	Fort Worth	McAllen	Waco
Bryan/College Station	Grand Prairie	Midland	Wichita Falls

field of candidates for evaluation. Each of these cities is profiled in Appendix H of this report.

Market evaluation options favor ownership when the following criteria are met:

- ▶ The combination of costs and agency space utilization rates in leased facilities can be reduced in state-owned facilities;
- ▶ A minimum of 70% of state leases will expire over the next 6 yr period; and
- ▶ Adequate properties or facilities are available for purchase.

Ownership is financially advantageous in situations where expiring lease cycles parallel rising rent rates and action is taken to move agencies from leased to owned facilities. The Commission is currently aligning its lease portfolio expirations to enable the state to take advantage of opportunities to buy or lease existing facilities large enough to provide

for cost effective consolidations of facilities. Consolidating administrative office space has proven to reduce the volume of space required by 10-20% in recently completed state-owned renovations. Efficiencies are improved primarily by eliminating redundant spaces requirements, such as inefficient circulation corridors, conference rooms, break rooms, mail rooms, copy centers, telephone and data closets, storage areas, and, in some cases, general reception areas.

TFC performed Buy and Renovate versus Build versus Lease (BBL) analyses for 28 candidate cities. TFC is required to ensure that when building or buying office space, total occupancy costs will not exceed the cost of leasing when calculated over the term of bond debt, typically 20 years. The BBL evaluation includes cost-benefit analyses which incorporate planning, land acquisition, design, demolition, construction, management, fixed equipment, telecommunication, building start-up and occupancy life-cycle costs. TFC performs these analyses every biennium per statute.

The BBL analyses for San Antonio included the following assumptions: a 168,960 usable square foot building; 845 FTE's at a 200 square foot per FTE allocation (current statewide owned and leased utilization is 224 square

CURRENT BBL MODEL – BUY VS. BUILD VS. LEASE ANALYSES RESULTS – SAN ANTONIO		
20-year cost to Buy/Renovate	20-year cost to Build	20-year cost to Lease
\$86.7 million	\$93.3 million	\$78.4 million

foot per FTE); programs are administrative functions; TFC operating expenses and lease costs escalate at 1.5% per year; and a bond debt rate of 6%.

The analyses included current and projected market conditions, industry estimating parameters, current state lease costs, current real estate market asking rates, Texas Public Finance Authority quoted interest rates and individual studies in the real estate markets of the 28 cities. The Commission's BBL methodology and procedures were audited by the State Auditor's Office (SAO) in early 2000. Upon their review which included input from CB Richard Ellis real estate professionals and the City of Austin's planning department, the TFC BBL methodology was approved by the SAO. Real estate fundamentals and financial market conditions have significantly changed since then.

The results of the BBL analyses revealed several key factors that pose challenges for the feasibility of buying and renovating or building of new facilities in the 28 cities: 1) the state's lease rates are extremely favorable at this time; 2) the desire to maintain cost neutrality when relocating tenant agencies from older and less expensive space into newer more efficient

space reflective of current market asking rates; 3) the current 1:1 parking space allocation practice (which unnecessarily increases project cost); and, most significantly, 4) the 20 year cost-benefit time frame utilized in the analyses. Collectively these challenges are magnified when attempting to construct buildings of monumental stature with useful life cycles in excess of 50 years.

The typical original term of a state lease is 5 to 10 years with as many renewal options as desired, effectively resulting in tenancy of 15 to 30 years at a single location. In most cases, these leases are only replaced due to limitations of further expansion of the facility to meet requirements for the expansion and growth of agencies. The Commission's historical lease data indicates this is the case in the majority of the 28 cities previously cited. It is reasonable to assume the state will maintain its long-term presence, perhaps 50 to 100 years or more, in these communities.

The economic Law of Diminishing Marginal Utility states: "As consumption of a product increases - while keeping consumption of other products constant - there is a decline in the marginal utility that is derived from consuming each additional unit of that product". When applying this law to asset management strategies, the short-term benefit of perpetual leasing will diminish as the quantity of lease space exceeds the quantity of owned space. While there is a short-term cost benefit to leasing, lease costs are infinite and ever expanding as each 10 to 30 year lease cycle repeats.

In the above scenario, if the choice is to continue leasing space, the opportunity costs (e.g., lease cost avoidance) are foregone at the point when the debt service for an owned facility would have been retired. If ownership is chosen, the lease cost avoidance recovers the difference between the rental costs and debt service payments. Leasing should be employed as a short-term strategy in instances when the tenant agency does not intend to be in a particular region for the long-term, less than 10 years; and for tenant agencies whose functions are client service oriented with staffing requirements subject to volatile customer growth and changing demographics.

A 2008 Sunset Staff Study concluded that for a long-term use of 20 years or more, building or buying office space would be the best allocation of state resources for housing state employees. The report also recommended that TFC should periodically update its BBL methodology. TFC is studying alternative analytical factors such as more efficient allocation of space per FTE, parking, and delivery methods which reflect current industry best practices.

Industry best practices include public-private partnership strategies which successfully provide flexibility to structure capitol in such a way that meets the state's need to construct new consolidated state-owned facilities while providing the private partner a competitive risk adjusted rate of return. The state could utilize its existing under-developed assets without subordination and solicit development rights to construct new facilities.

Prospective public-private partnership methods could range from Build/Operate/Transfer (BOT) to Developer Financing or Lease/Develop/Operate (LDO), which are three of many strategies as defined in the report published by the United States General Accounting Office in April 1999 titled Public-Private Partnerships Terms Related to Building and Facility Partnerships.

### *Build/Operate/Transfer*

Under the BOT option, the private partner builds a facility to the specifications agreed to by the public agency, operates the facility for a specified time period under a contract or franchise agreement with the agency, and then transfers the facility to the agency at the end of the specified period of time. In most cases, the private partner will also provide some, or all, of the financing for the facility, so the length of the contract, lease or franchise period must be sufficient to enable the private partner to realize a reasonable return on its investment through user charges. At the end of the franchise period, the public partner can assume operating responsibility for the facility, contract the operations to the original franchise holder, or award a new contract or franchise to a new private partner. The Build/Transfer/Operate (BTO) model is similar to the BOT model except that the transfer to the public owner takes place at the time that construction is completed, rather than at the end of the franchise period.

### *Developer Financing*

Under the Developer Financing, the private party (usually a real estate developer) finances the construction or expansion of a public facility in exchange for the right to build residential housing, commercial stores, and/or industrial facilities at the site. The private developer contributes capital and may operate the facility under the oversight of the government. The developer gains the right to use the facility and may receive future income from user fees.

While developers may in rare cases build a facility, more typically they are charged a fee or required to purchase capacity in an existing facility. This payment is used to expand or upgrade the facility. Developer financing arrangements are often called capacity credits, impact fees, or exactions. Developer financing may be voluntary or involuntary depending on the specific local circumstances.

### *Lease/Develop/Operate (LDO)*

Under a lease/develop/operate partnership arrangement, the private party leases an existing facility from a public agency; invests its own capital to renovate, modernize, and/or expand the facility; and then operates it under a contract with the public agency.

## *Development Program - Public Private Partnership Options*

In light of tough economic times and increasing fiscal demands, governments at all levels struggle to limit expenses without reducing services and are increasingly interested in developing and managing assets in a more business-like manner. The term public-private partnership (P3) is used to describe numerous types of partnership arrangements. TFC refers to P3 methodologies in which the State retains ownership but contributes interest in real property and a private entity contributes financial capital and borrowing capacities to redevelop or renovate the State's real property.

TFC is exploring concepts where the State retains ownership of its underdeveloped assets but offers a private entity ground lease and development rights in exchange for participating interest in the cash-flow performance of the respective project. The Commission's comprehensive asset management and development strategies (CAMDS) are aimed at rethinking the State's traditional practice in managing its real property assets. In many cases, CAMDS parallels options currently employed at the federal, state and local levels throughout the U.S. as well as efforts in other countries.

P3 initiatives employ a variety of concepts, some of which overlap but have subtly different meanings. P3 arrangements typically involve a government agency contracting with a private partner employing a variety of methods, from designing the facility to undertaking its financing, construction, operation, maintenance and management, in whole or in part, that provides a public service and revenue generating source from a source other than taxation.

Under these arrangements, the State will retain ownership of the public facility or system, but the private partner generally invests its own capital to design and develop the properties. Typically, each partner shares in income resulting from the partnership. Although P3s are a contractual arrangement, they differ from typical service contracts in that the private-sector partner usually makes a substantial cash at-risk, equity investment in the project, and the public sector partner gains access to new revenue or service delivery capacity without payment to the private-sector partner.

Partnership arrangements for facilities not occupied by tenant agencies would be structured whereby the State and private entity negotiate the specifics of the partnership including cash flow distributions. Private partners generally require a preferred return as compensation for underwriting risk of the partnership. Preferred returns are generally a percentage of cash flows. The net cash flow is divided between the public and private partner at an agreed upon percentage.

It must be understood that individual assets are unique in terms of attributes, location and critical features, thus unique issues must be

negotiated and addressed as the P3s are formed and careful consideration must be given to protect the interest of the State and private partner. For example, the property must be available to the private partner for use in whole or in part, and agreements must not guarantee occupancy of the State. Similarly, the State would not be liable for any actions, debts, or liabilities of any person or entity under the agreement; and the fee simple interest of the state assets would be non-subordinate or senior to the interest of any lender of the private partner.

The CAMDS development opportunities will focus on underdeveloped properties, mostly parking structures and surface lots owned or controlled by TFC. Those opportunities may then be marketed to office, retail/commercial, recreational/entertainment and residential developers with the objective of creating mixed-use and transit oriented development projects. Solicitations for redeveloping underdeveloped assets are intended to yield proposals which demonstrate potential to generate sustainable revenue from non-tax sources and allow the State to participate in the appreciation and performance of its real estate assets over time.

In the interest of creating consistent and compatible development patterns which enhance value in State assets and the immediate built environment, TFC is committed to consulting and working cooperatively with local jurisdictions, redevelopment agencies, developers, and other public and private sector entities to promote land use policies and plans which encourage intensive, high quality development of the State's underdeveloped assets. As a basis for developing the concepts, staff relied on sources already in print, as well as on other information published by industry experts and practitioners. The massing study depicted in Part III respects the statutory Capitol View Corridors and is based on the assumptions the State may adopt City of Austin Site Development Standards. The Initiatives are in the preliminary planning phase, as the development program progresses the Commission will disseminate information to citizens, state officials, local jurisdictions and the private sector.

### *Purpose*

The purpose of the development program is to reduce costs to the taxpayer for state facilities, recapture public investments, diminish bond debt obligations and create long-term revenue sources for the State of Texas. This could be accomplished by:

- ▶ Creating perpetual revenue sources to support operations of the State by increased utilization of public assets through re-development providing at a minimum a financial return equal to the highest and best use of the specific site.
- ▶ Establishing procedures for marketing of opportunity sites and the selection of P3 development participants.

- ▶ Defining and implementing a transparent process public-private partnership policy
- ▶ Defining procedures for evaluating and estimating the benefits of development proposals, including residual value, the development of new state-owned facilities, and economic and fiscal impacts.
- ▶ Define TFC's community involvement process in the development program.
- ▶ Consider development opportunities in future acquisition of property and construction of facilities.

### *Criteria*

If authorized, the Commission would entertain proposals meeting the minimum criteria described below:

- ▶ Minimizing the commitment of TFC or State financial resources and investment risk and maximize asset security.
- ▶ Generating long-term sustainable revenue sources allowing the State to participate in the increases of value in its real assets over time.
- ▶ Providing a return to the State based on the highest and best use of the property with minimum annual yield to be set by the Commission.
- ▶ Creating value based on fair market return of public investment.
- ▶ Protecting the State's control of operation, access and use of existing facilities.

Selection between projects will be based on those meeting the above criteria and additionally demonstrating:

- ▶ Ability to achieve economic development goals consistent with State and community adopted plans.
- ▶ Responsiveness to community needs for employment, housing, retail services, or other facilities.
- ▶ Consistency with TFC procurement policy, encouraging involvement of disadvantaged, minority and women-owned business enterprises.
- ▶ Where appropriate, include alternative or enhanced transit options or connections.
- ▶ Consistency with development guidelines established by the Commission.
- ▶ Ancillary economic development benefits of job creation and attraction of business and industries.

## Goals

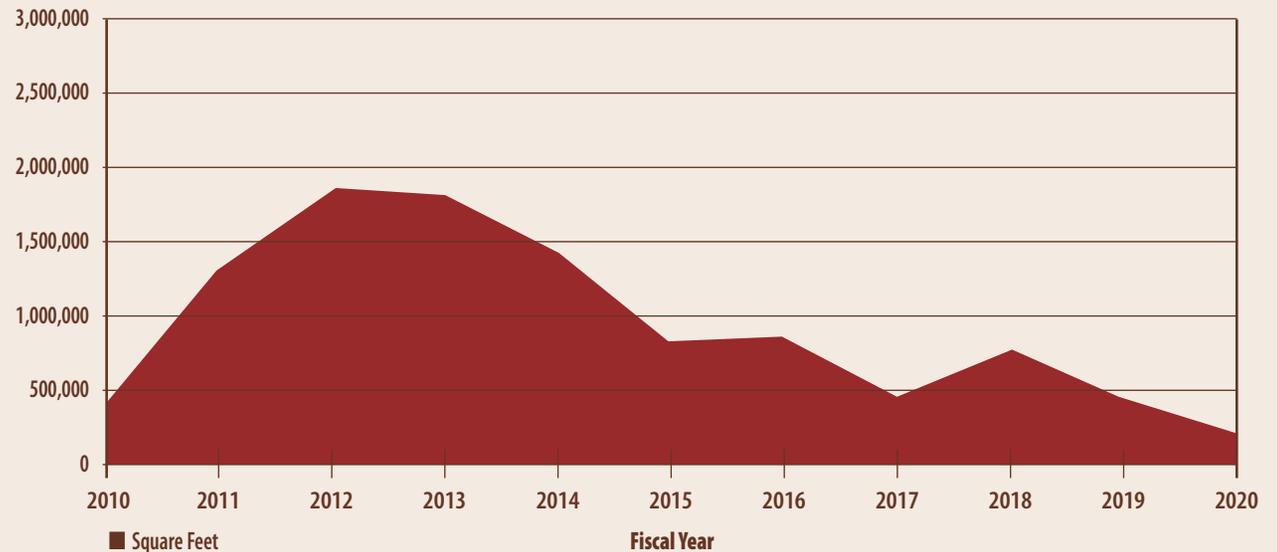
With respect to overall planning and specific sites, the Commission's initiatives seek developments which include a mix of the following encouraged attributes:

- ▶ Addresses the short and long term space needs for the State's workforce.
- ▶ Includes capital or in-kind contributions from other public agencies for joint planning and greater economic benefits.
- ▶ Enhances and maintains existing or future facilities, operations and infrastructure.
- ▶ Enhances land use and economic development goals of the State creating a sense of place that is compatible with the nature, scale, and aesthetics of the surrounding community.
- ▶ Integrates state assets with existing or future transit facilities or systems.
- ▶ Enhances the surrounding built environment including a mix of uses that support continued growth and meet identified needs of the community.
- ▶ Exhibits the highest levels of quality in architectural and urban design.

## E. Time is of the Essence

Time is of the essence to implement strategies to position the Commission's lease portfolio for consolidation when the opportunity arises. As it is today and has been in the past, the lease portfolio has not been managed in accordance with a strategic plan. The necessity for strategic management of the Commission's portfolio has never been more critical. Time is of the essence as rates for state-leased space have more than doubled over the last twelve years and the majority (73%) of current leases will expire over the next 6-year period. The current flat real estate market is predicted to recover within the next 3 years. The State will inevitably face rent increases in markets where long-term leases are coming to an end. For example, the State's current Travis County full service rent rate average is \$16.28 per square foot per year, while the current commercial market rate is \$21.00. Approximately 71% of Austin area leases will expire by 2015. While the Commission will continue to secure leases below market rates, the market correction will significantly impact future lease costs. The following illustrations depict expiration schedules within the Commission's current statewide leasing portfolio.

**TFC Statewide Lease Expiration Chart**



## TFC STATEWIDE LEASE EXPIRATIONS

Fiscal Year	# of Expiring Leases	Expiring Lease Sq. Ft.	% of Total Leased Sq. Ft.
2010	58	411,971	4%
2011	181	1,309,437	13%
2012	187	1,845,743	18%
2013	155	1,812,785	17%
2014	129	1,430,796	14%
2015	95	821,120	8%
2016	43	845,452	8%
2017	25	471,254	5%
2018	39	768,255	7%
2019	29	440,806	4%
2020	14	217,984	2%

**73%** of all leases expire over the next **6 years**.

### *Counties / Cities Candidates for Consolidated Lease Sites*

Government Code, Section 2166.1061 requires that the Commission determines the cost-benefit of consolidating leases into centralized sites and develops plans to implement viable lease consolidations. The field of candidates is to be derived from counties where the State leases office space and the population exceeds 75,000 people.

In FY2009, 7.9 million square feet of administrative sites located in 47 counties and 77 cities made up the initial evaluation field within requisite counties. Candidate cities for lease consolidation are determined according to the following criteria:

- ▶ Three (3) or more leases exist in requisite city;
- ▶ 100% of state leases in the city will expire by 2015;
- ▶ Savings can be achieved through improved efficiencies; and
- ▶ Adequate facilities are or may become available.





# Initiatives

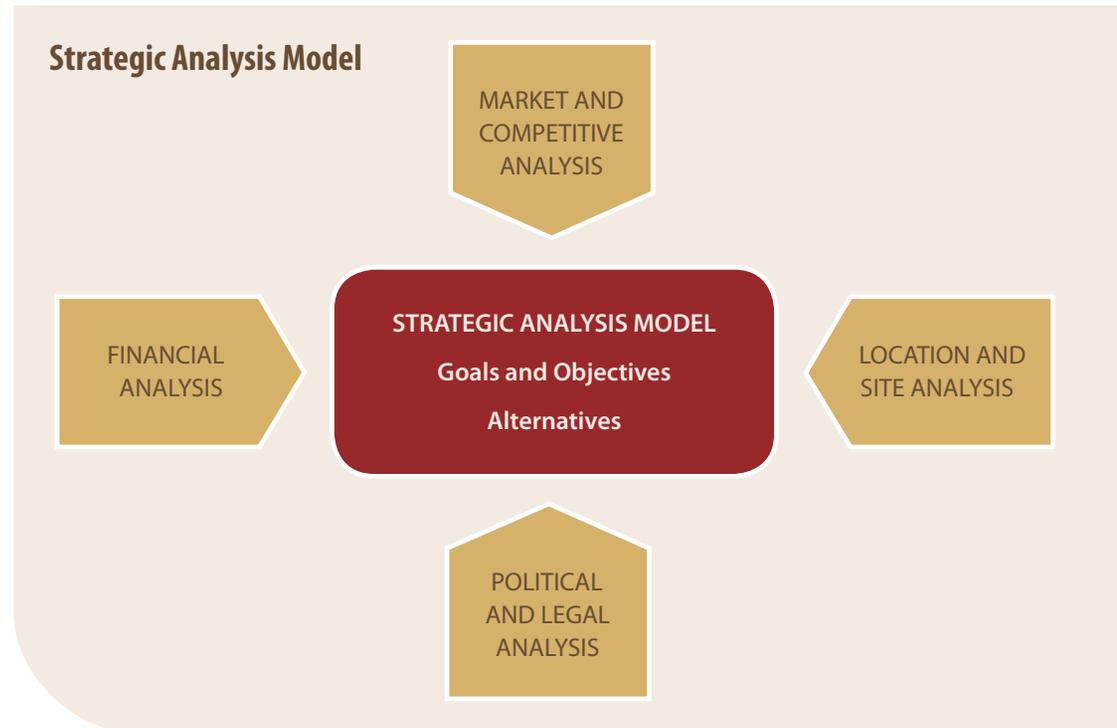
The Commission is evaluating proactive strategies to implement and manage initiatives which reduce the operating expenses of facilities; satisfy the immediate and long range agency space demands; reduce the excessive dependence on commercial lease space; efficiently utilize and develop existing assets to maximize short-term cash flow, recoup the initial public investment, enhance the long-term value and allow the state to participate in the growth and performance of its assets. These evaluations include feasibility analyses for construction of new state facilities and monetization of underdeveloped assets through public-private partnerships. In so doing, the Commission prioritized the following initiatives:

- A. Initiative I – Create and Implement a Comprehensive Asset Management & Development Strategy (CAMDS)**
- B. Initiative II – Implement a Capitol Area Development Strategy**
- C. Initiative III – Implement a Statewide Lease Consolidation Strategy**

In furtherance of the aforementioned initiatives Staff recommends the ensuing approach to feasibility analyses and implementation of business decisions.

## *Strategic Analysis Model*

Sound real estate decisions require strategic assessments including: 1) location and site analysis, 2) political and legal analysis, 3) market and competitive analysis and 4) financial analysis. The strategic analysis model is an iterative process among these four components. The process is completed in any order and continues until a “Go/No Go” decision is reached.



The purpose of this micro economic analysis – whether developing new office facilities for exclusive state use or monetizing non-performing assets to produce non-tax revenue and offset cost – is to understand the factors influencing prospective development such as rent levels, absorption rates, construction costs, schedules and phasing, underserved trade areas (gaps), and the cost of capital in order to make intelligent Go/No Go decisions throughout the development process. To execute business decisions resulting from strategic analysis staff annotated draft design and development standards, policies and procedures for public private partnerships and developed a market driven planning and implementation process. Adoption of the draft design and development standards, policies and procedures and planning and implementation process is integral to the success of the Comprehensive Asset Management and Development Strategy.

### **TFC Planning & Implementation Process**

The planning and implementation process is comprised of four steps. Progression to each step is subject to TFC leadership approval.

The top priority of the CAMDS program is to ensure the state has adequate land and facilities to accommodate its current and long-term needs. In step one, these needs are directly addressed, as are the physical and financial requirements to achieve the comprehensive strategy. A Request for Qualifications (RFQ) will be issued in step one to select an interdisciplinary team of real estate professionals.

Step one is intended to derive a basis of residual value, cost and resources for use as a reference in subsequent steps for comparison of future observations and results. **No appropriations are required to complete Step 1.**

#### **Step One – Due Diligence and Feasibility Analysis**

**Tasks:** Verification of TFC’s development assumptions; identification of opportunities and challenges; definition of scope and macro phasing of the strategies; perform market assessments and residual valuations; complete cost estimates; identification of capital source and structure; and conduct economic impact analyses.

#### **Outcome**

- ▶ Clear and transparent public-private partnership policies which can be implemented administratively and result in comprehensible benefits to the State:
- ▶ Presentation of a Go/No Go Report for Commission approval:
  - ▶ Preliminary long-term asset management and development strategy including
  - ▶ Defined objectives, scope, general schedule, requisite criteria and suitable capital structure

- ▶ General approach for future development and disposition of State properties
  - ▶ Refined strategic analyses; preliminary land use plans, development programs, financial proforma modeling
  - ▶ Identification of challenges , and
  - ▶ Delineation of subsequent master planning processes and priorities and implementation strategies

The due diligence and feasibility analysis is intended to identify opportunities and challenges and establish priorities for subsequent steps, where the strategic asset-level plans are developed in detail. The Go/No Go report will refine preliminary strategies and detail implementation of the comprehensive strategy. With approval of the Go/No Go Report the Commission will undertake strategic planning efforts entailing micro scheduling; creation of design and development standards; urban design and development programming. Subsequently, the Commission will be positioned to solicit development proposals first through request for qualifications (RFQ) followed by Request for Business Plan (RFBP).

### **Planning & Implementation Model**

The phased planning and implementation process will utilize the expertise and resources of the public and private sectors. It is set up in this manner to provide a system of checks and balances and to ensure fiscally prudent and financeable market driven outcomes. The process will involve the interdisciplinary team of professionals. The following is a brief description of each discipline and its function.

#### **Real Estate Economist**

- ▶ Residual Valuation
- ▶ Economic Impact Analysis (Job Creation, Retail Sales, Tax Generation, Transit Ridership)
- ▶ Strategic Planning
- ▶ Assist Formulation of Request for Business Plan

#### **Urban Planner**

- ▶ Land Planning
- ▶ Urban Design
- ▶ Conceptual Rendering

#### **Development Consultant/Construction Estimator**

- ▶ Design and Development Standards – Constructability
- ▶ Cost Estimation of Infrastructure and Improvements (Public and Private)

- ▶ Capital Structure, Financial Feasibility and Underwriting (Acceptance from Capital Markets)

- ▶ Building Design Standards

**Commercial Real Estate Broker**

- ▶ Authenticate Real Estate Economist Assumptions
- ▶ Capital, Property Value and Space Market Analytics
- ▶ Developer and End-user Outreach

**Real Estate Attorney**

- ▶ Structure Public-Private Partnership Agreements
- ▶ Exclusive Negotiation Agreements
- ▶ Master Development Agreements

## A. Initiative I – Create and Implement a Comprehensive Asset Management & Development Strategy

Given the extent of the Commission’s real asset portfolio, the breadth of the state’s holdings, the degree to which the state is utilizing its real property and the scope of latent potential in the State’s assets, through a series of studies, The Commission will delineate and employ a holistic and proactive strategy which includes asset – level strategic master plans.

The comprehensive asset management and development strategy will be segmented into two components 1) Capitol Area Development Strategy and 2) Statewide Lease Consolidation Strategy. The impetus of the strategy is to provide for the long-term needs of state government. The strategy will be developed on the basis of the objectives outlined herein and implemented through transparent process outlined in this section.

### Planning & Implementation Model



### 1. OBJECTIVES

- ▶ Develop and implement an Asset Management and Development Strategy to meet the State’s long-term facility needs, consolidate facilities, reduce cost to the taxpayers, and monetize opportunities to generate perpetual revenue from non – tax sources.
- ▶ Design and program facilities for state government in the most efficient manner and ensure the Commission continues to accomplish its mandate and reduce cost.
- ▶ Utilize the expertise and abilities of the private sector to implement and achieve the benefits of the Comprehensive Asset Management and Development Strategy.
- ▶ Create and implement clear and transparent guidelines and policies for public-private partnership solicitations, which can be implemented administratively and result in comprehensible benefits to the State.
- ▶ Achieve highest and best use of State assets; catalyze economic growth through repositioning, redevelopment and repurposing of underutilized properties; realize maximum value for the taxpayers; and create perpetual revenue from non-tax sources that benefit the State.
- ▶ Coordinate planning efforts with governmental agencies to benefit the State and ensure continuity, sustainability, and vitality of the State’s holdings.

**Provide** for the long-term needs of state government...**reduce** cost to the taxpayers...**catalyze** economic growth...**realize** maximum value...**protect** the public's investment for housing State programs...**monetize** emerging opportunities within underdeveloped state assets to generate perpetual revenue from non-tax sources.

## 2. GOALS

- ▶ Protect the public's investment for housing State programs and functions by employing proactive strategies to position the Commission to capitalize on acquisition and value-add opportunities.
- ▶ Consolidate agencies into centralized full-service campuses located in long-standing demographic service regions.
- ▶ Create centralized service campuses in both leased and owned facilities based on the best long-term financial and operational interests of the State.
- ▶ Promote efficient service delivery and economical use of space, furnishings, equipment and support services.
- ▶ Conduct the State's activities, whether as a landlord or tenant, as a good neighbor.
- ▶ Establish, accumulate and protect equity positions in the State's real estate portfolio.
- ▶ Monetize emerging opportunities within underdeveloped assets to generate perpetual non-tax revenue.

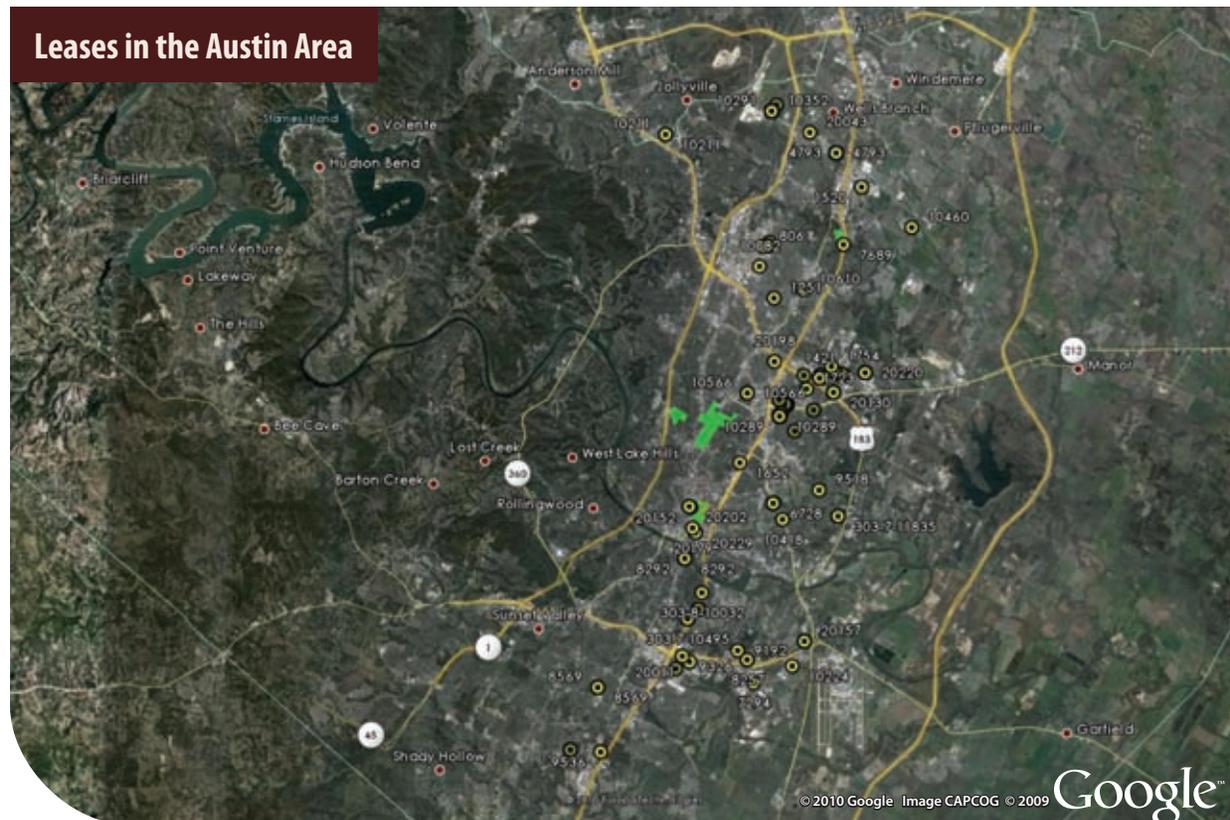
The Commission can achieve the fore-stated goals without relinquishing state-ownership of existing assets. The residual value and perpetual-revenue greatly outweighs any short-term gain that might be realized through outright disposition of assets. To realize the true value it is essential for the State to maintain ownership of existing assets. The Go/No Go Report will elaborate and explain this subject in detail.

## B. Initiative II – Capitol Area Development Strategy

Although prior consolidation and development plans were adopted, updates have not kept pace. Development of state-owned facilities has fallen behind to a considerable degree. It is not the intention of this strategy to preclude future planning, but rather to provide a current frame of reference within which refinements and revisions, if necessary, may be made as new conditions and requirements arise.

State-owned office space in Travis County is effectively exhausted. The Travis County area hosts half of the State's workforce. Presently the State is obligated to approximately 3 million square feet of commercial leases costing \$42,640,047 annually. The State's current real estate holdings are sufficient to construct facilities to meet existing and future space needs. These holdings exceed growth requirements and afford the State significant opportunities to generate revenue from non-tax sources through redevelopment.

Most apparent in the following image is the overlay of yellow markers identifying the sprawl of approximately 3 million square feet of leases in the Austin area. Approximately 2 million of the 3 million square feet of administrative leases can be consolidated into new facilities constructed on existing State holdings or "Planning Areas" identified by the green polygons. The remaining approximately 1 million square feet is comprised of leased facilities housing direct client services that will remain in their demographic service delivery locations. Subsequent to absorbing the available space for consolidation, the State is left with substantial re-development potential within its underdeveloped assets.



Legend: ■ State Owned Campuses/Planning Areas

● State Leased Facilities

### 1. CAPITOL COMPLEX UTILIZATION

	# of Buildings	# of Agencies	# of FTEs	# of Acres
Capitol Complex	29	63	18,000	122
W. P. Hobby Complex	3	20	1,392	3.5

- ▶ Total land area of all State land in the Capitol Complex is 122 acres, the equivalent of 70 city blocks
- ▶ The TFC inventory contains 21 acres of underdeveloped assets located on the Capitol Complex

### 2. NORTH AUSTIN COMPLEX UTILIZATION

	# of Buildings	# of Agencies	# of FTEs	# of Acres
HHSC Departments – North Campus	17	8	5,799	85
Austin State Hospital – South Campus	30	2	--	132
School for the Blind	30	1	--	74.69
Public Private Partnership Tenants	--	--	--	34.8

- ▶ Approximately 80 acres of under-developed property exists in the North Austin Complex
- ▶ The Austin State Hospital Campus, ASH, is currently utilizing approximately 25% of its 82 acres
- ▶ 67 acres have been successfully redeveloped through P3s including multi-family housing, retail, and medical uses

### 3. BULL CREEK ANNEX UTILIZATION

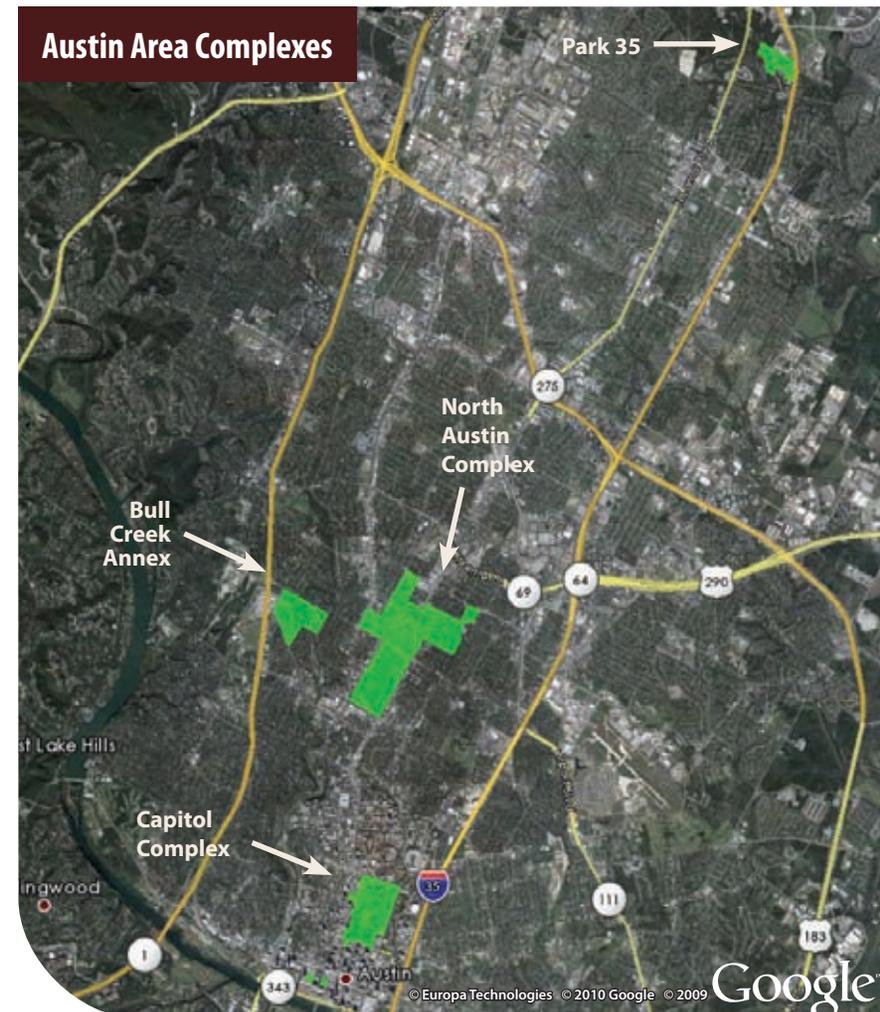
	# of Buildings	# of Agencies	# of FTEs	# of Acres
TXDOT (Camp Hubbard)	9	1	NA	29.5
Cemetery Committee	--	--	NA	46
State Records Center	1	1	64	23

- ▶ Consists of three parcels controlled by TxDOT, the State Cemetery Committee, and the Texas Library & Archives Commission
- ▶ GLO estimates cemetery expansion will not be needed for 30 to 60 years
- ▶ TxDOT and cemetery expansion parcels total 76.5 acres of underdeveloped assets

### 4. PARK 35 UTILIZATION

	# of Buildings	# of Agencies	# of FTEs	# of Acres
Building F (leased)	1	1	700	--
Buildings A–E (owned)	5	2	1,350	28

- ▶ The primary tenant is the Texas Commission on Environmental Quality with a small portion of the facility occupied by the Board of Professional Land Surveyors
- ▶ Converted to state-owned in 2005 from a lease with an option to purchase



## 5. OVERVIEW OF THE CAPITOL COMPLEX

The green polygon overlay represents the Capitol Complex planning area. The light green polygons represent state property not in TFC's inventory; and the white polygons represent privately owned parcels within the complex. Although the Hobby building and associated parking facilities are not in the Capitol Complex they are in close proximity and depicted in the southwest portion of the Central Business District (CBD).

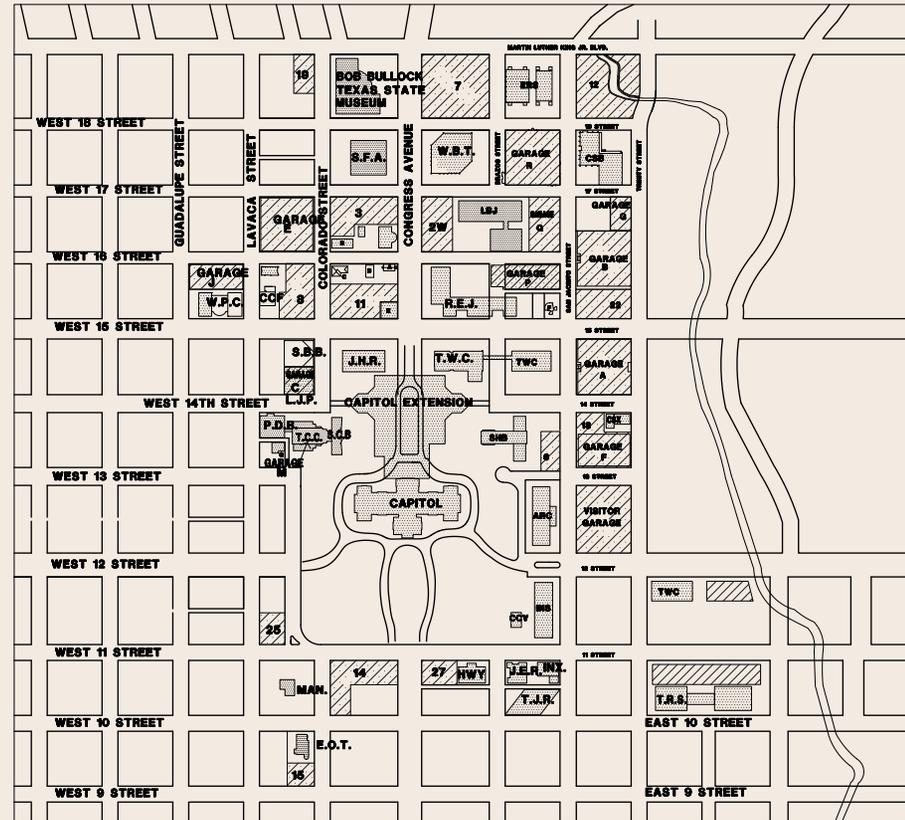
The Capitol Complex is located between downtown Austin and the University of Texas totaling approximately 122 acres, the equivalent to 70 City blocks. The Capitol Complex consists of the Capitol Building and grounds, various state office buildings, and numerous structured parking garages and surface lots. The Complex is divided by 15th Street into north and south segments. Martin Luther King Jr. Boulevard forms the northern boundary. Trinity and Lavaca serve as outer boundaries to the east and west, respectively. The complex includes the Governor's Mansion and other property on the south side of 11th Street.

The Capitol building, the State's most significant historic structure and the center of state government, is the core of the Complex. The Capitol lawn integrates the Capitol with pedestrian connections, trees, and monuments. Originally limited to the Capitol, over time ad-hoc land assemblage occurred making the State the largest land owner in Austin's CBD.

The northern expansion of the Capitol Complex, resulted from a land acquisition strategy, envisioned as early as 1956, to extend the complex

# CAPITOL COMPLEX MAP

PROVIDED BY TEXAS BUILDING & PROCUREMENT COMMISSION



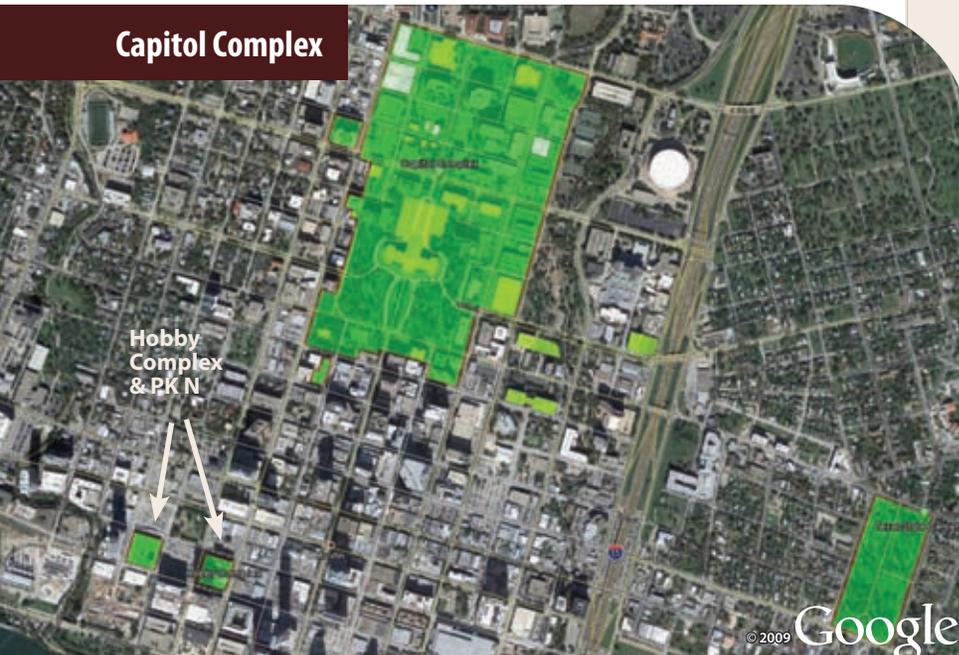
- ARC—ARCHIVES AND LIBRARY (LORENZO DE ZAVALA)
- CAP—STATE CAPITOL
- CCF—CHILD CARE FACILITY
- CCV—CAPITOL COMPLEX VISITOR CTR.
- CSB—CENTRAL SERVICES BUILDING
- ERS—EMPLOYEES RETIREMENT SYSTEM
- HWY—HIGHWAY BUILDING
- INS—INSURANCE BUILDING
- INV—INSURANCE ANNEX BUILDING
- JHR—JOHN H. REAGAN
- LBJ—LYNDON B. JOHNSON
- LJP—LEON JAWORSKI PLAZA
- MAN—GOVERNOR'S MANSION
- REJ—ROBERT E. JOHNSON
- STA—SERVICE STATION
- SBB—STATE BAR BUILDING
- SCB—SUPREME COURTS BUILDING
- SFA—STEPHEN F. AUSTIN
- SHB—SAM HOUSTON BUILDING
- SPS—SENATE PRINT SHOP
- JER—JAMES EARL RUDDER BUILDING
- TJR—THOMAS JEFFERSON RUSK
- TWC—TEXAS WORKFORCE COMMISSION
- THO—ERNEST O. THOMPSON
- WET—WILLIAM B. TRAVIS BUILDING
- PDB—PRICE DANIELS BUILDING
- WPC—WILLIAM P. CLEMENTS

- A — GETHSEMANE CHURCH
- B — ARCHEOLOGY LAB
- C — CARRINGTON—COVERT HOUSE
- D — ELROSE
- E — AMERICAN LEGION BUILDING
- F — SERVICE STATION
- G — HANCOCK HOUSE

- BUILDINGS OFF THE CAPITOL COMPLEX
- COSMETOLOGY BUILDING  
5717 BALCONES DRIVE
  - JAMES HARPER STARR BUILDING  
107 WEST 6TH STREET
  - JOHN H. WINTERS COMPLEX  
701 W. 51ST. STREET
  - AIRCRAFT POOLING BOARD  
4900 OLD MANOR
  - WILLIAM PATTUS HOBBY BUILDING  
333 GUADALUPE
  - STATE SUPPORT CENTER  
1107 I.H. 35 NORTH
  - BOLM ROAD WAREHOUSE  
6506 BOLM ROAD

- STATE FACILITIES
- STATE PARKING

## Capitol Complex



Hobby  
Complex  
& PK N

© 2009 Google

to Martin Luther King Jr. Boulevard and the University of Texas as the need for additional space materialized. Most State buildings in immediate proximity to the Capitol are monumental and have been named in honor of prominent individuals. Although previous Capitol Area Master Plans existed, prior expansions were seemingly approached as individual developments without regard for architectural or urban planning considerations that would integrate state office buildings with the stately grounds surrounding the Capitol or the existing adjacent developments.

Presently, the north segment lacks unification, is underdeveloped and dominated by single purpose structured parking facilities, surface parking lots and unrelated plazas. The north segment represents significant opportunity for greater utilization and improved pedestrian friendly environments (including transit connections), inviting open spaces and retail services to support those who work in or visit the Capitol Complex.

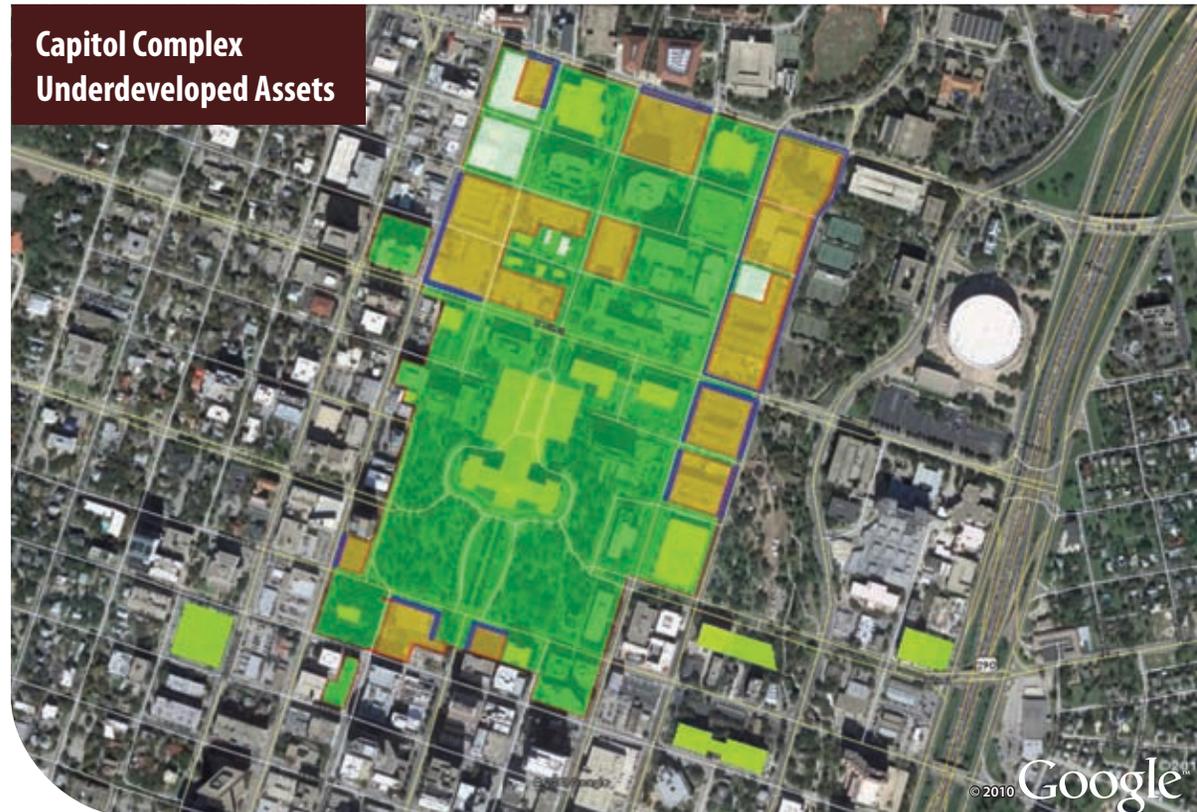
**a. Underdeveloped Assets in the Capitol Complex**

Represented by the various orange polygons is approximately 21 acres or 915,000 square feet of underdeveloped assets in the Commission's inventory: primarily surface lots and single purpose parking structures

with potential for re-development. In blue are the fringe and hard corners most appropriate for ground-floor retail uses. Based on location and contiguousness, certain groups of parcels should be considered as single projects and developed conjunctively. This would apply to parcels within the San Jacinto and Trinity corridor, and parcels bound by 15th Street to 17th Street and N. Congress Avenue to Lavaca Street, and South Congress Avenue at 11th Street.

The strategic master plan will address the area between the southern boundary of 11th Street and the northern boundary at Martin Luther King Jr. Boulevard between San Jacinto Boulevard to the east and an irregular line formed by Colorado Street and Lavaca Street to the west.

As part of the asset-level strategy for the Capitol Complex, master planning efforts will incorporate relevant work from previous development and instill vitality in the immediate area surrounding the Capitol. To better understand the potential and value of the underdeveloped assets, the State must recognize emerging projects on contiguous parcels as well as emerging projects in and around the immediate area.



## b. Emerging Projects Near the Capitol Complex

Identified below are various emerging projects in Austin's Central Business District (CBD) which impact use and value of the State assets in downtown Austin. Currently, the built environment of the CBD is approximately 30 million square feet. According to the Downtown Austin Plan (DAP), development potential of infill sites in Austin's CBD has capacity to add an additional 37 million square feet. The DAP includes urban transportation options that will influence development and significantly enhance the value of all Capitol Complex property. The six emerging projects explained below are represented in the image of the following page.

### EMERGING PROJECT - 1: Centennial Park

According to the University of Texas (UT) 1999 Master Plan, the Centennial Park parcel is designated for expansion of student housing. Between 2007 and 2009 private developers significantly increased the supply of student housing in the west campus area. In light of the recent developments, UT will likely reconsider future use of this parcel.

### EMERGING PROJECT - 2: Waller Creek Flood Diversion Tunnel

On June 24, 2010 the Austin City Council unanimously approved the Waller Creek District Master Plan. It is estimated that construction of the Waller Creek Tunnel will remove approximately 1 million square feet of developable land from the flood plain. Development capacity of the land to be removed from the floodplain translates to between 9.5 million and 11 million square feet of development potential. Land use along the creek and associated parks will vary and may include mixed-uses such as dining, residential, retail, and civic space.

### EMERGING PROJECT - 3: Seaholm, Green Water Treatment Plant and Energy Control Center

In August 2005, the Austin City Council approved the relocation of the Thomas C. Green Water Treatment Plant (GWTP) located at 600 West Cesar Chavez Street. Decommissioning of GWTP began in 2009 and the planning stages for redevelopment of the site are underway. The GWTP redevelopment, as currently proposed, will consist of 7 buildings, up to 51 stories tall. The project proposes 320 apartments, 140 condos, and 235 senior independent living units, as well as 588,000 square feet of office space, a 375-room hotel, 10,000 square feet of civic/non-profit space, and 160,000 square feet of retail space.

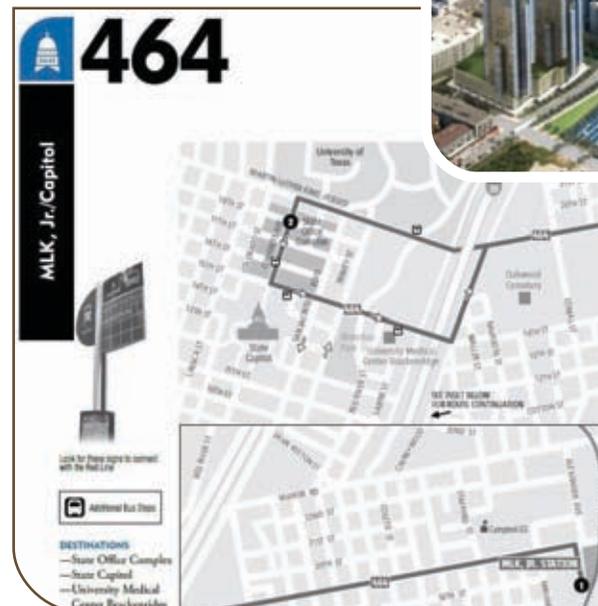
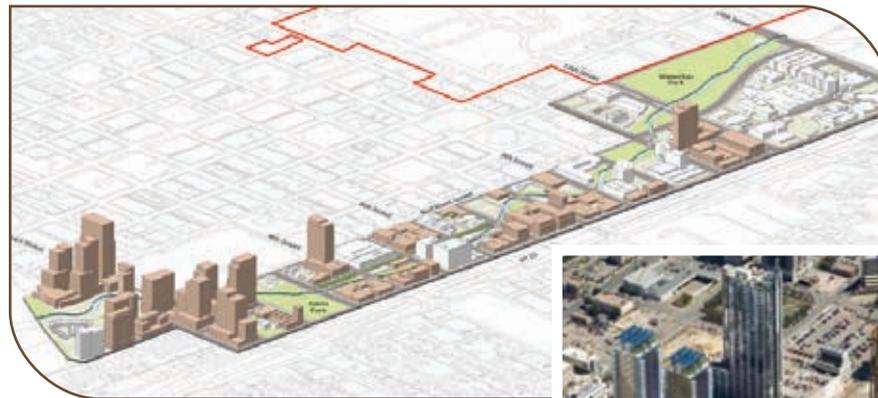
### EMERGING PROJECT - 4: Urban Rail

The purpose of the Urban Rail project is to serve as the region's interchange for emerging rail projects (Redline and Lone Star). Preliminary engineering and environmental studies for the Urban Rail Corridors are underway and potential financing strategies are being evaluated. The rail project will continue to be discussed and refined as part of the on-going Downtown Austin Plan – Phase II.

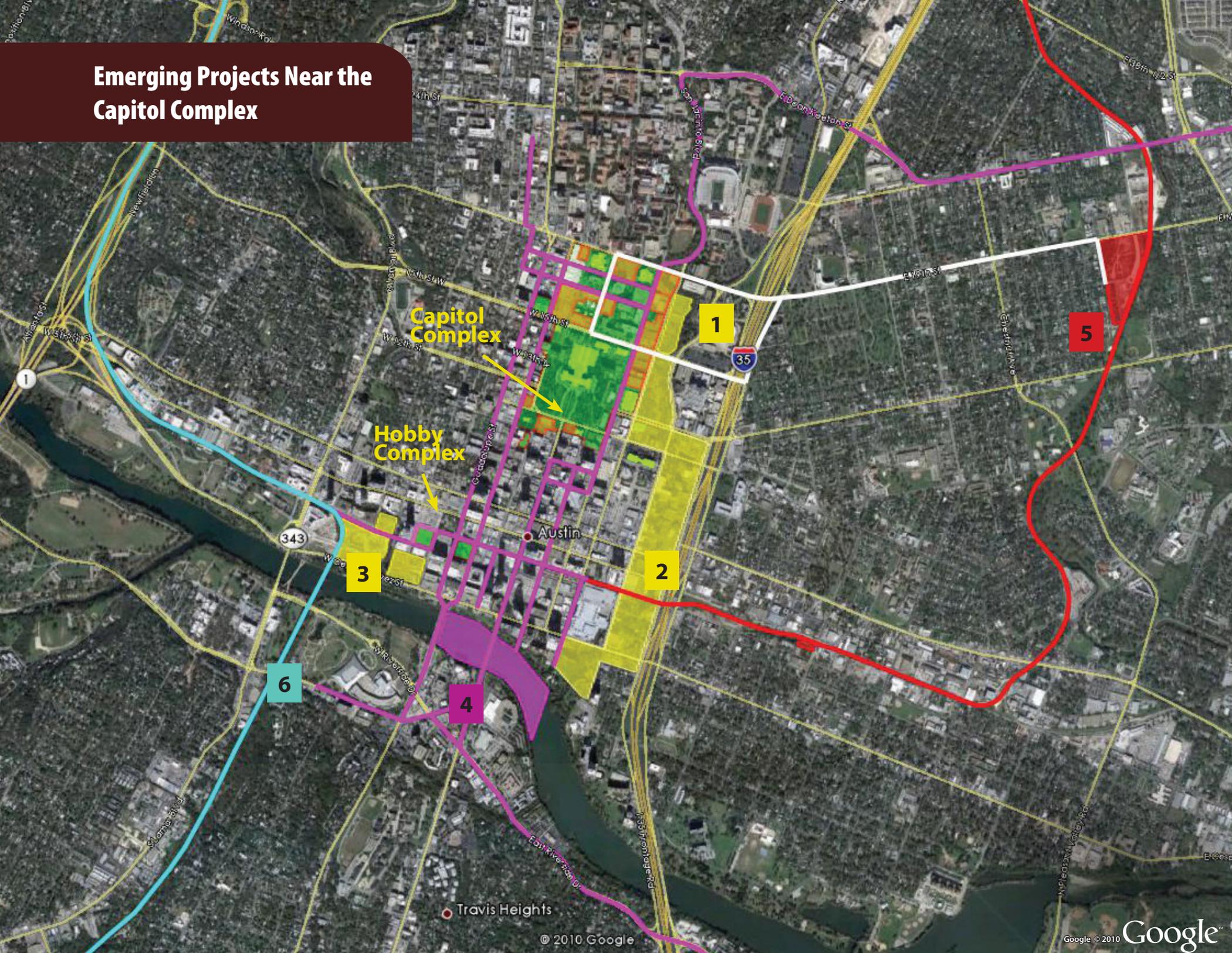
### EMERGING PROJECT - 5: Redline

As of March 2009, the Capitol Metro Redline passenger rail system operates on existing freight tracks, between the Convention Center in downtown Austin and the City of Leander. The Redline will foster Transit-Oriented Development (TOD) integrating land use and transit through the creation of compact, walkable, mixed-use

Numerous emerging projects in proximity to state property and facilities in the Capitol Complex shape the context of the “highest and best use” evaluation.



# Emerging Projects Near the Capitol Complex



communities within ¼ to ½ mile of a transit station. Service is provided during peak hours. MetroRail is part of the All Systems Go Long-Range Transit Plan that includes expanded local and express bus service, MetroRapid bus service, and new and improved park and ride lots. The white-line from the MLK, Jr. Station is the MLK, Jr./Capitol 464 Route which is synchronized with the train's arrival and departure schedule to serve the Capitol Complex and University Medical Brackenridge.

### **EMERGING PROJECT - 6: Lone Star Rail**

The Lone Star Rail project is proposed to connect San Antonio through tertiary cities to Austin and Georgetown. The proposed LSTAR rail stop in downtown Austin at the Seaholm Redevelopment site is within two blocks of the state-owned Parking Garage N and William P. Hobby Building on Guadalupe. The LSTAR will make up to 16 stops on the route south San Antonio through Austin to Georgetown.

### **c. Development Potential of the Capitol Complex**

Single-purpose structured parking facilities and surface parking lots within the Capitol Complex represent 21 acres of underdeveloped assets. The underdeveloped land translates into approximately 7 million square feet of development potential, twice the State's existing inventory. Development capacities in the Capitol Complex can absorb all non-HHSC administrative leases in the Travis County area, approximately 1 million square feet. Redevelopment of state parking lots 2, 3, and 11 (PK 2, PK 3 and PK 11) would accommodate consolidation of the 1 million square feet non-HHSC administrative leases. Studies are pending to evaluate financial impacts of phasing and placement scenarios for consolidation, including evaluation of various joint-development structures and financial benefits from redevelopment of the remaining 6 million square feet to provide perpetual revenue from non-tax sources and return of public investment from these assets.

TFC shares the position of Harold F. Wise and Associates (HWA), City Planning and Urban Economic Consultants in the Capitol Area Master Plan submitted in 1956 to the State Building Commission: "Previous

plans for expansion of Capitol Area facilities have produced technically sound recommendations." The State Building Commission adopted a two-phased acquisition approach. Phase I called for purchase of properties immediately adjacent to the Capitol Building and grounds; and Phase II called for the purchase of all property between Lavaca Street and San Jacinto Boulevard and between 15th Street and 19th Street [Martin Luther King, Jr. Boulevard]. The plan was established and noted these properties were acquired in advance of need and parking lots were to be constructed as an interim use to ensure a centralized location for State Government.

### *The North Congress Avenue Mall*

The 1956 and subsequent plans (including this report) recommended the creation of a civic axis along North Congress Avenue. The vision is to form a tree lined boulevard up North Congress Avenue from 15th Street to Martin Luther King Jr. Boulevard; effectively connecting the Capitol and surrounding lawn—as the southern anchor—to the Museum District—Bob Bullock Texas State History Museum (BBTSHM) and future development of Parking Lot 7 (PK7)—as the northern bookends. The contiguous area around the Capitol is the core of State government, these assets as well as proposed facilities fronting North Congress Avenue (shaded in salmon in subsequent images) should be reserved exclusively for State use.



### The Art of Placemaking

Creating a formal mall would enhance, preserve, and respect the State's most significant historic structure – The Capitol Building. Surface improvements to the Capitol Mall along North Congress Avenue should be symbolic of Texas and incorporate final details such as emblems, skylights, lanterns and railings from the Capitol, the extension, and lawn. The Capitol Building is and will remain the predominant feature of the complex, serving as the focal point and district anchor. Conversely, at the northern end of Congress Avenue corridor the BBTSHM and development of PK7—with a plaza reflecting its counterpart—combine to create bookends in the District. New State facilities constructed on PK2, PK3, and PK11 fronting the Capitol Mall connecting the Capitol (anchor) and Museum District (bookends) will create a cohesive seat of government and civic facilities. This arrangement relates the proposed buildings to each other, the existing government offices, and the Capitol Building. Moreover, this creates a permanently enhanced and protected view of the Capitol from the north. The Capitol Mall combined with Capitol Lawn serve as a green-link, extending the grounds from the steps of the Capitol's north entrance to Martin Luther King, Jr. Boulevard and the Museum District.

The combined effect of proposed improvements along North Congress Avenue would activate the complex, compel vitality beyond routine daily conduct of state business, enhance the civic and monetary value of state assets, and more importantly these improvements will reflect the dignity and pride of Texas in its culture, economy, history and resources.

### Massing Study

Full development potential represented in the following models will be achieved over the course of decades. Development potential was calculated based on the City of Austin's Site Development Standards and statutory Capitol View Corridors. The massing depicted in the imagery is intended solely to demonstrate the scale, but not to dictate design. Utilizing the previous explained assumptions, the 21 acres of underdeveloped assets translates into approximately seven million square feet of development capacity. This means the State controls 19% or 1/5 of all future development potential in downtown Austin. The State has a need for 1 million square feet (identified by the pink structures in the following images); the remaining 6 million square feet has potential for joint development representing significant revenue generating opportunities for the State.

In 2009, the Capitol Complex hosted approximately 1.6 million patrons of arts and culture. With that in mind, opportunities should be explored to provide space for retail services such as stores, restaurants, and civic venues for those visiting or working in the Capitol Complex. A network of ground level retail venues would provide amenities for unattended demand.

Infrastructural improvements are necessary. These improvements would include underground utilities as well as surface level enhancements including "great streets" improvements such as street/tree/furniture and clear zones. The massing study accounted for setbacks to include supplemental zones ranging from 20 to 30 feet that would provide outdoor dining areas. The proposed supplemental zones are shown along the retail corridors of Trinity Street and San Jacinto Boulevard on the eastern border, Lavaca Street on the west, limited sections of Martin Luther King, Jr. Boulevard to the north, the corners of 15th Street at Trinity Street and Lavaca Street, and 11th Street at Congress Avenue to the south.

In 2009, the Capitol Complex hosted approximately **1.6 million** visitors.

The product mix of redevelopment will be market driven. However, the extent of residential density will be vital to sustainability of the district, its amenities and ancillary services. Residential uses above ground floor retail is proposed along the San Jacinto Boulevard/Trinity Street corridor facing Waterloo Park from East 13th Street north of the Capitol visitors garage to Martin Luther King Jr. Boulevard. The development along the San Jacinto Boulevard/Trinity Street corridor is shown as fluctuating from 7 to 10 stories in height.

The largest state-owned asset in the Capitol Complex is parking Lot 7 (PK7). PK 7 is not restricted by view corridors and possesses broad potential for mixed uses ranging from a hotel to apartments above a museum or performing arts center to compliment the Bob Bullock Texas State History Museum. Due to limitations from capitol view corridors and parking constraints, development of PK3 and PK11 as well as PK8 and Garage E are considered single projects. It is likely the respective projects would share subterranean structured parking facilities. Potential uses include high-rise residential and commercial office with ground level retail fronting Lavaca Street.

Although the Hobby Complex is not part of the Capitol Complex, due to market conditions and underlying entitlements, the Commission is evaluating the redevelopment potential of the Hobby and Parking Garage N sites.

The Capitol Complex study indicates parking neutrality. By incorporating underground parking in re-development plans, existing parking and the needs of future development are accommodated. An alternative parking arrangement under consideration is a subterranean parking facility beneath North Congress Avenue between 15th Street and Martin Luther King Jr. Boulevard. This alternative proposes a single parking facility shared between the existing and proposed state office facilities along

North Congress Avenue. This alternative would eliminate the estimated five stories of above grade parking for the proposed facility at PK2.

The elimination of podium parking would enhance the aesthetics and pedestrian experience along North Congress Avenue.

### Full Development Potential



Full Development Potential



Full Development Potential



Full Development Potential



Full Development Potential



## North Congress Avenue – Development Potential

### Five Under-Developed Assets Along North Congress Avenue:

1. Parking Lot 2 (PK 2)
2. Parking Lot 3 (PK 3)
3. Parking Lot 7 (PK 7)
4. Parking Lot 11 (PK 11)
5. Underground

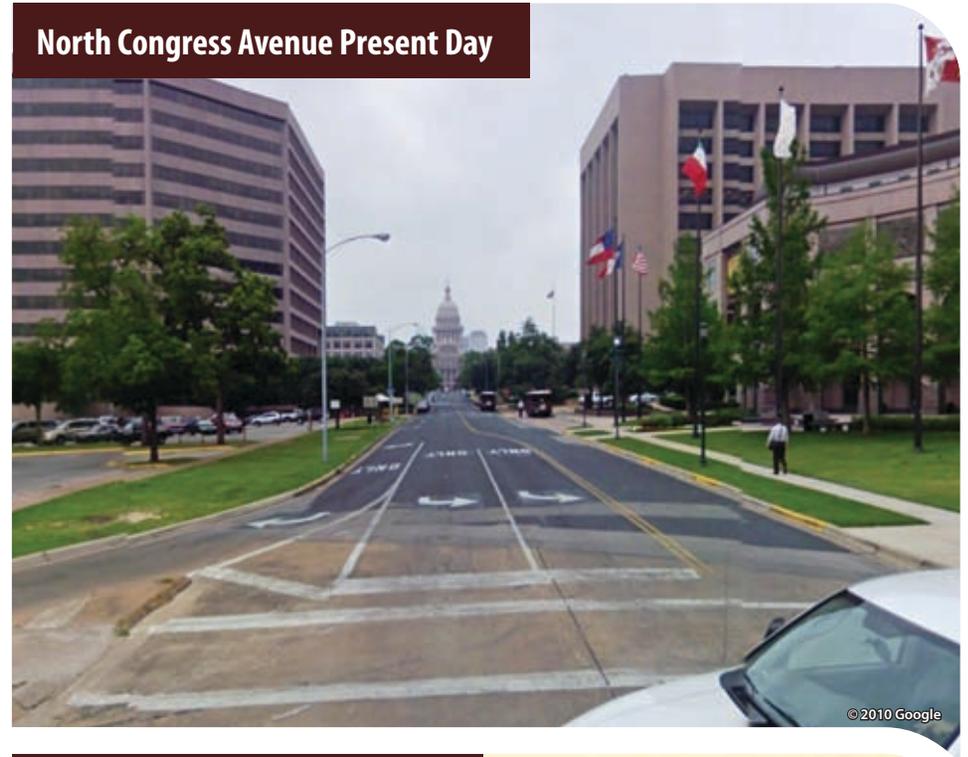
### Underground

Underground facilities could contain parking for new and existing state facilities along North Congress Avenue. A network of subterranean facilities, ground level concourses, and transit connections could enhance the service to those visiting or working in the Capitol Complex. However, the development potential of the Capitol Complex is not dependent on construction of parking beneath Congress Avenue.

### Why Beneath the Street?

1. Utilizes an extensive non-performing asset.
2. Enables pedestrians to traverse areas of the complex during inclement weather.
3. Addresses parking inadequacies of adjacent civic facilities.
4. Affords greater utilization and re-purposing of existing parking lots and garages.

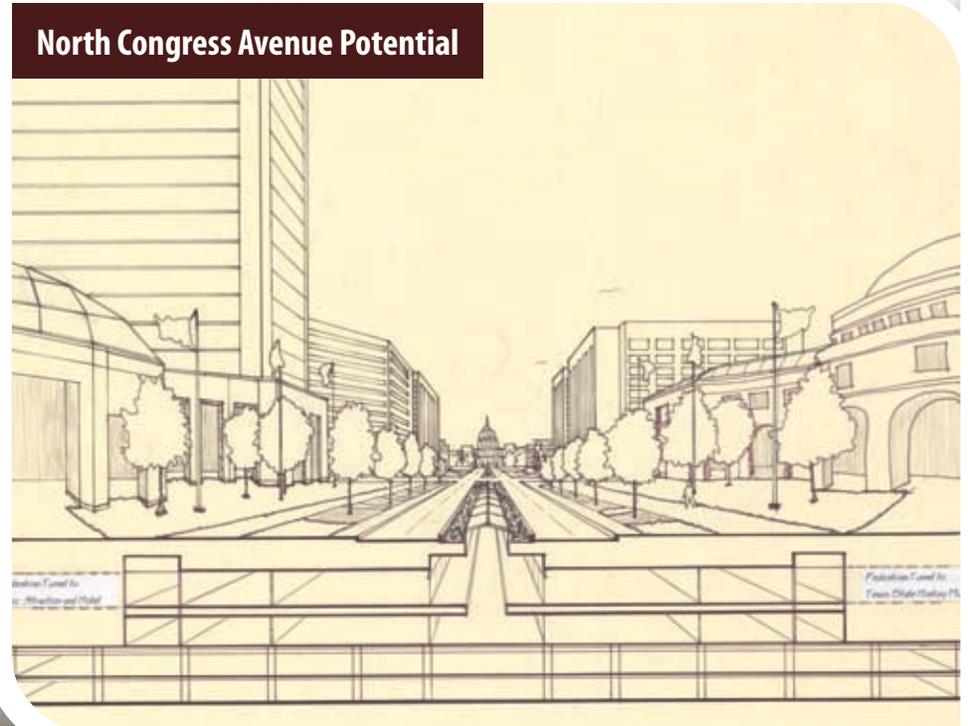
## North Congress Avenue Present Day



## North Congress Avenue Full Development Potential



## North Congress Avenue Potential



## San Jacinto Boulevard Present Day



## San Jacinto Boulevard – Development Potential

The San Jacinto Boulevard and Trinity Street corridor extends from E. 12th Street to Martin Luther King Jr. Blvd. Currently, the state maintains eight parking garages and four surface parking lots along both sides of San Jacinto Blvd. This represents the greatest underutilization in the Capitol Complex. Conversely the San Jacinto Boulevard and Trinity Street corridor represents perhaps the most significant potential for higher and better use of underdeveloped, state-owned property.

Renderings by McCann Adams Studio, courtesy of the City of Austin, these renderings represent what the intersection of San Jacinto Boulevard and East 16th Street could become. The intent is purely illustrative. Urban Rail is under consideration. If Urban Rail comes to fruition it could look similar to what is shown.

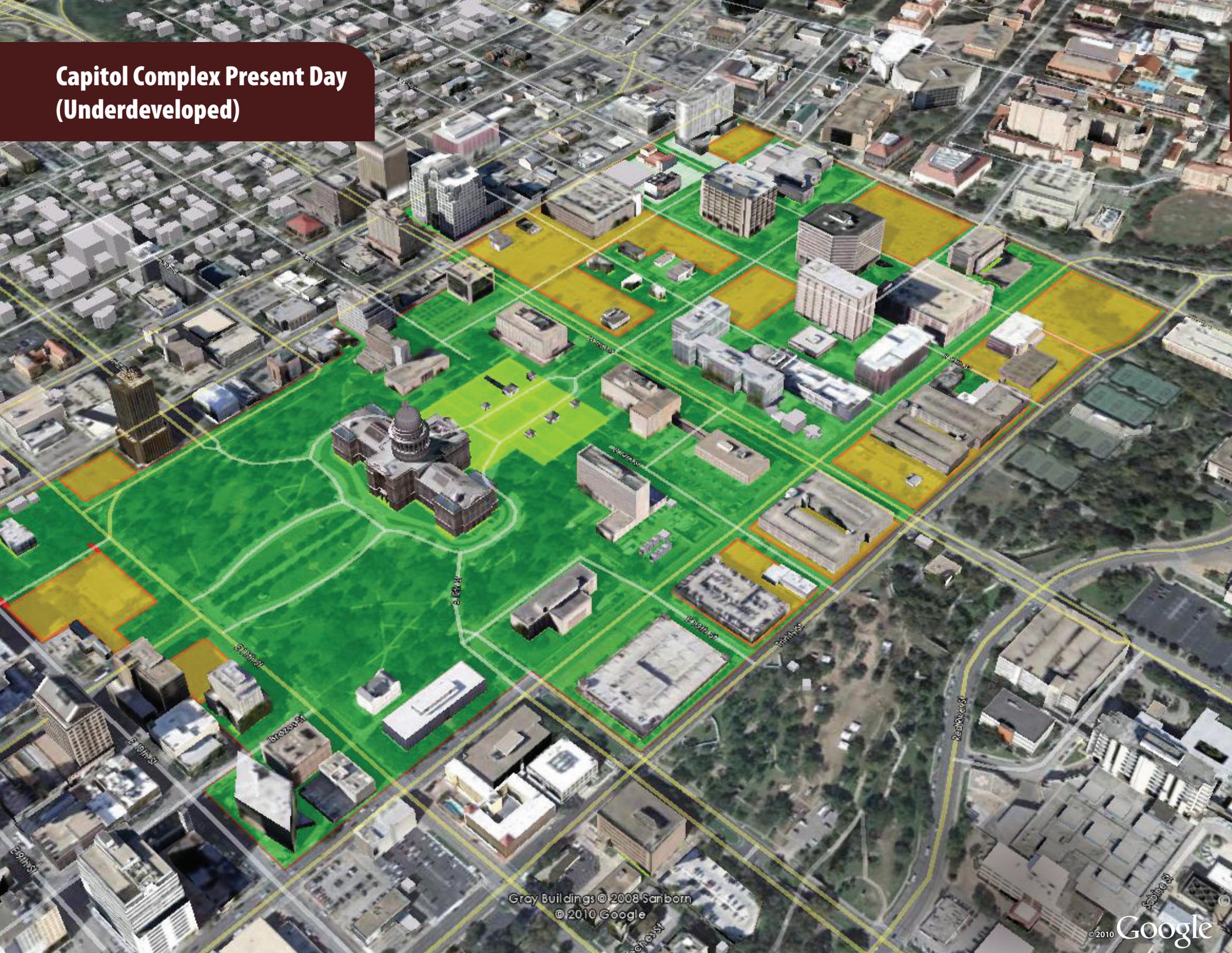
## San Jacinto Boulevard Development Potential



## San Jacinto Boulevard Development Potential



# Capitol Complex Present Day (Underdeveloped)



# Capitol Complex Future Potential



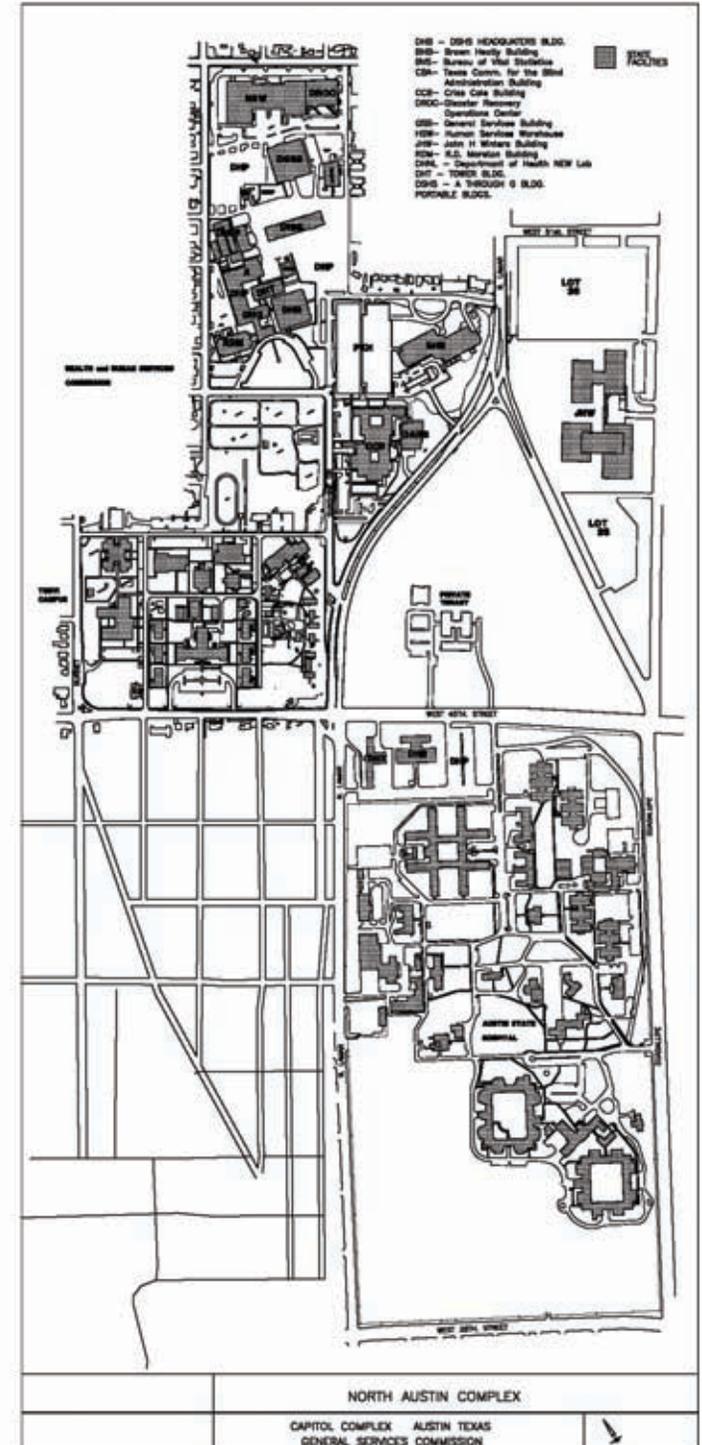
Gray buildings © 2009 Sanborn  
© 2010 Google

## 6. OVERVIEW OF NORTH AUSTIN COMPLEX

The green polygon represents the planning area of the North Austin Complex: approximately 326 acres primarily consisting of Health and Human Service (HHSC) Agencies. From a planning perspective, other State holdings adjacent to TFC inventory are identified.

- ▶ TFC-owned and managed inventory consists of two sites: Department of State Health Services (DSHS) and warehouse; and the Brown-Heatly and John H Winters buildings.
- ▶ The Austin State Hospital (ASH) maintains ownership of the Old Cemetery, Intramural fields, the Triangle, and the ASH grounds.
- ▶ The Texas School for the Blind and Visually Impaired occupies the parcel to the west of the Triangle.

### North Austin Complex



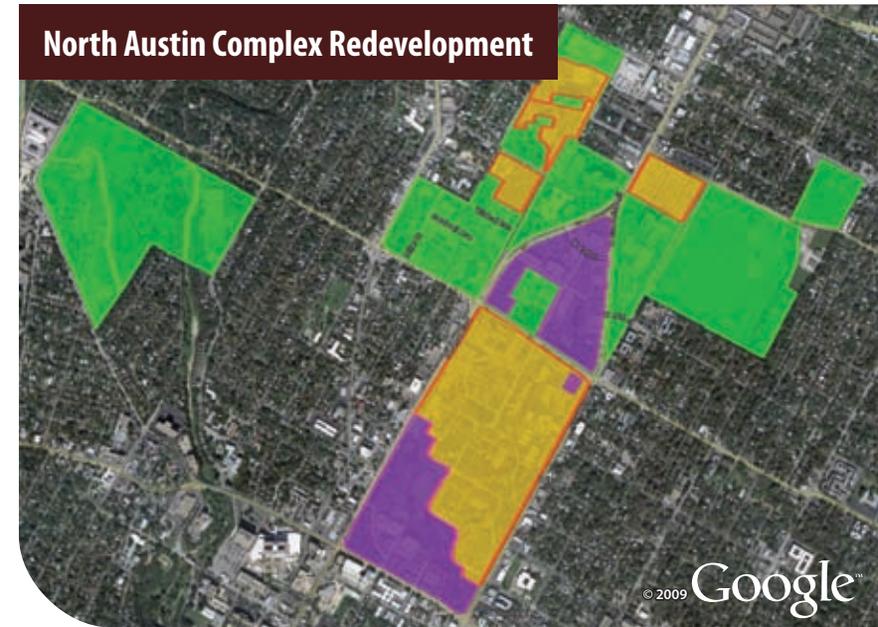
### a. North Austin Complex – Underdeveloped

The orange polygons represent approximately 80 acres of underdeveloped assets: primarily surface lots, vacant land, and obsolete facilities. Site analysis indicates there are adequate underdeveloped holdings adjacent to the J. H. Winters Building and Department of State Health Services buildings to provide approximately 1 million square feet of new office facilities and associated parking.

- ▶ Estimated redevelopment capacity can absorb all HHSC lease for administrative space in the Travis County area (approximately 812,000 million square feet of new office facilities and potential replacement of the 123,000 square foot Robert D. Moreton Building). Consolidation would occur in new office facilities constructed on the nine-acre parking lot to the northeast of the Triangle and the irregular infill sites depicted to the west.
- ▶ Presently the Austin State Hospital uses only 25% of its site, leaving 60 acres available for redevelopment
- ▶ Discussions with HHSC regarding redevelopment of the North Austin Complex and the remainder of the State Hospital site continue. At the request of HHSC, TFC is developing space use assessment and master plan for the North Austin Complex.

### b. North Austin Complex – Previous Joint Development

The parcels outlined by the purple polygons are 67 acres of State assets which were successfully redeveloped. The State retained ownership interest through ground leases, but achieved higher and better use by repurposing the property through private sector redevelopment. These parcels include the Triangle mixed-use multi-family and retail development, The HEB Central Market and associated strip center, Gables Central Park multi-family development, and the Heart Hospital and miscellaneous medical facilities.



### c. North Austin Complex – Development Potential

A strategic asset-level master plan is pending to provide the roadmap to effectively address HHSC office space requirements and to obtain the fiscal benefits of the remaining development potential to the state's long-term needs. Further study would also determine the long-term needs of ASH along with the full redevelopment potential of the site. HHSC would reduce reliance on leased space in favor of permanent facilities for long-term cost savings and greater efficiency through centralization of core functions.

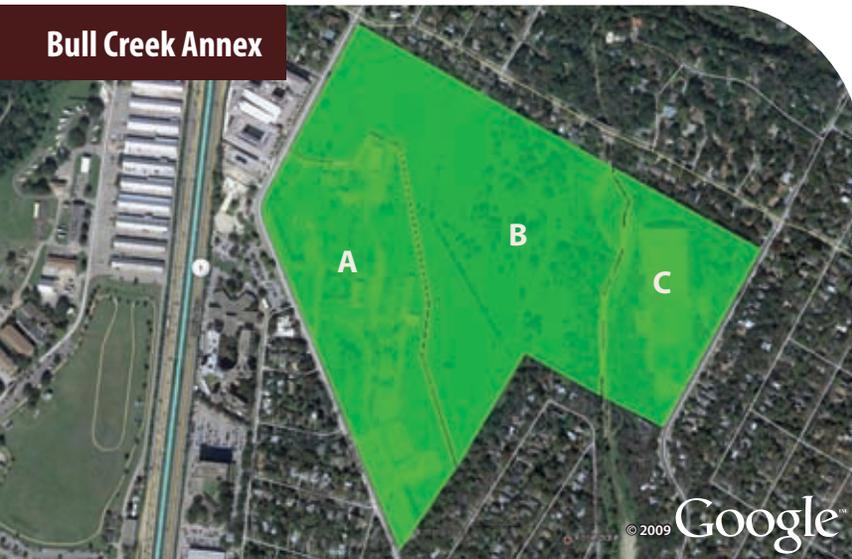
TFC proposes to identify the highest and best use of all property, within the Austin area in HHSC's possession. The ASH site in particular is significantly underdeveloped with potential to provide a perpetual revenue stream to the State through joint development opportunities similar to the adjacent ground leases with the Triangle and Central Market enterprises.



## 7. OVERVIEW OF BULL CREEK ANNEX

The green polygon represents the planning area of the Bull Creek Annex. The Bull Creek Annex is approximately 98.5 acres comprised of 3 parcels owned and controlled by three separate agencies, from left to right are: A) Camp Hubbard, controlled by TXDOT; B) the Bull Creek Annex, under TFC ownership controlled by the Texas State Cemetery Committee; and C) the State Records Center Library and Archives owned and controlled by TSLAC. Portions of the TXDOT parcel are currently leased as overflow parking for the nearby Westminster Manor, an assisted living community. Previous reports published by the General Land Office estimated the cemetery expansion will not be needed for 30 to 60 years. The Governor previously issued a conditional approval to remove the statutory restriction for cemetery use.

### Bull Creek Annex



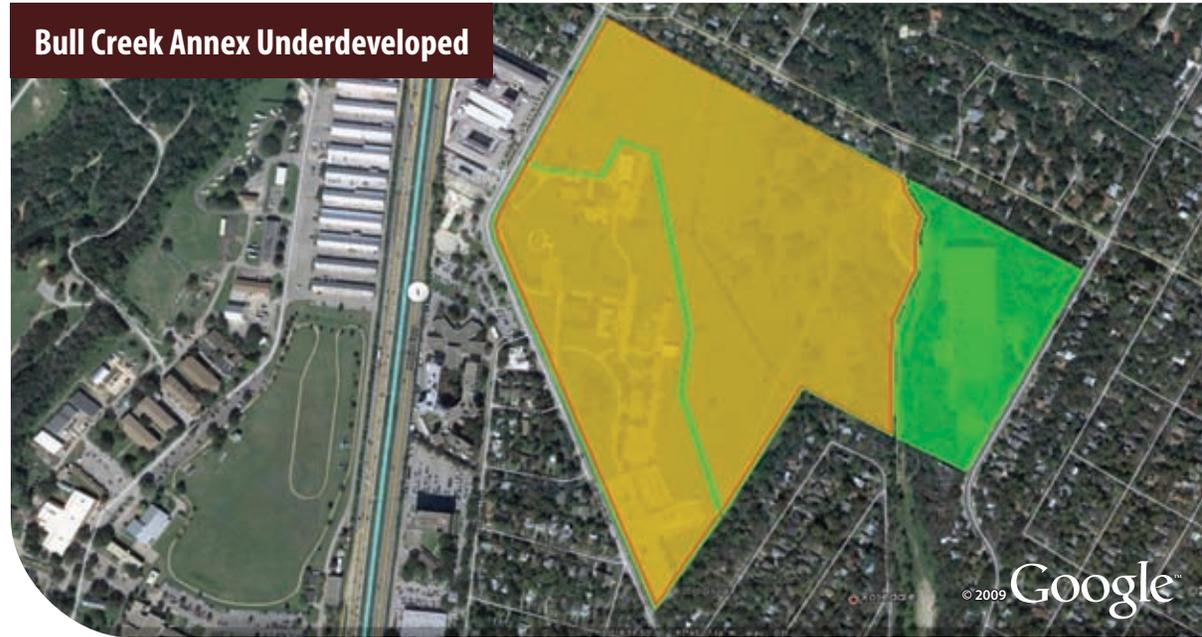
#### a. Bull Creek Annex – Underdeveloped Assets

The orange polygon represents 76.5 acres of underdeveloped assets.

#### b. Bull Creek Annex – Development Potential

The Bull Creek Annex possesses significant urban infill potential in an area where land values are high and large contiguous tracts of developable land are non-existent. As stated in a real estate appraisal conducted in 2006, the highest and best use of this infill project is a Planned Unit Development; most likely a mixed residential community with an assortment of single-family detached homes and sections of multifamily offerings such as garden apartments and townhomes.

### Bull Creek Annex Underdeveloped



## 8. OVERVIEW OF PARK 35

Currently, value-add opportunities at the Park 35 campus are limited. Further studies are required to determine future development of this site. Park 35 was added to the state owned inventory through a lease-purchase option. The Texas Commission on Environmental Quality (TCEQ) is the primary tenant of the Park 35 campus.

### Park 35



## C. Initiative III – Statewide Lease Consolidation Strategy

### 1. RESEARCH AND PLANNING

The foresight and concept of consolidated facilities is recorded in state records as far back as 1956, perhaps farther. Research and planning

for lease consolidation resurfaced in 1994 and continues. In 2009, the Commission revisited this initiative, conducting market surveys, site visits, and charted co-terminus lease expirations. TFC evaluated benefits of consolidating administrative leases into centralized sites in counties where the state leases 50,000 square feet of office space and the general population exceeds 75,000. While statute does not require the consolidation of offices providing direct client services, TFC considers these offices as part of a consolidation when a proposed facility can accommodate the needs of both administrative and client service delivery operations.

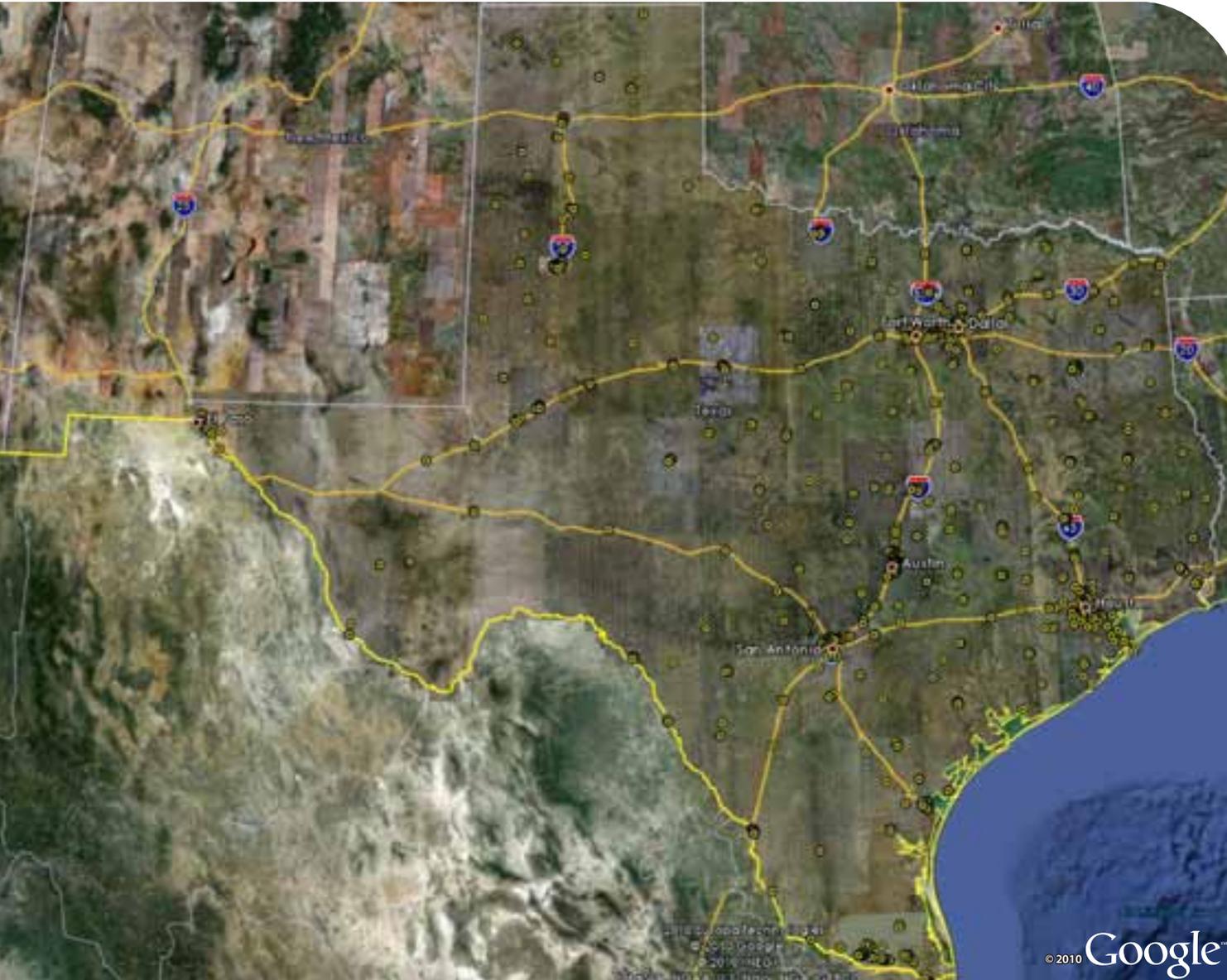
#### Candidate Lease Selection Criteria

Opportunities for lease consolidation are evaluated when the following criteria are met:

- ▶ Two or more leases expire concurrently;
- ▶ Savings can be achieved through improved efficiencies; and
- ▶ Adequate facilities are or can be available.

Statutes direct the Commission to analyze cost benefits of owning versus leasing facilities in counties where state office space needs exceed 50,000 square feet. Ownership is favorable in cities where the following criteria are met:

- ▶ The efficiency of allocation of space per employee can be improved;
- ▶ A minimum of 100,000 square feet of office space is required;
- ▶ Two or more leases expire concurrently;
- ▶ Adequate facilities meeting agency occupancy, useful life and functional standards are or can be available;
- ▶ State lease costs reflect full service;
- ▶ Built facilities will have a min. 50-year life span; and
- ▶ Offices designed to house 80% of FTEs in modular configurations.



## 2. AVAILABLE OPTIONS

**FACILITIES GREATER THAN 100,000 SQUARE FEET:** Acquisition of existing or turnkey construction of new facilities of 100,000 square feet or greater is prudent due to economies of scale realized through the elimination of redundant space and building support systems.

### a. Acquisition

Acquisition can occur from direct appropriations, bond sales, or private financing. Opportunities from Commercial Mortgage Maturities: Beginning in 2010 through 2014 commercial mortgage maturities will average \$290 billion annually. Refinancing has become increasingly difficult as credit markets continue to tighten with stricter underwriting requirements and real estate competes with liquidation of local and regional banks. With lagging demand for space – concerns run rampant that property cash flows won't improve fast enough to overcome negative leverage. Constricted credit channels – hobbled lenders and the comatose Commercial Mortgage-Backed Securities market – leave owners' without reliable refinancing options. Propelled by the lagging effects of a recession, income producing property values will decline precipitously. Prolonging a true market correction, concussed lenders will be forced to increase write-downs of overleveraged borrowers in troubled asset portfolios.

### The Upside of the Downturn; Opportunities in the Re-pricing of Debt:

2010 to 2012 could be a limited window of opportunity for the State to seize opportunities of one of the best acquisition environments ever. Once banks clear rapidly expanding and unwanted bad loan and REO portfolios, liquid investors should be afforded generational bargains on premium properties.

### b. Turnkey Construction of New Facilities

In limited instances Turnkey Construction of New Facilities may occur. Due to current market conditions, construction financing has become extremely expensive. Assuming reported market conditions are correct, troubled asset inventory will become available at less than replacement cost. Thus it is unlikely that new construction will cost justify for the next several years.

**FACILITIES LESS THAN 100,000 SQUARE FEET:** For facilities less than 100,000 square feet the Commission favors consolidating numerous leases into a single leased facility with co-terminus expiration dates.

### c) Consolidated Leasing

Lease rates should remain neutral as current conditions reflect a lessee's market. Where it is not feasible to acquire or construct new state-owned facilities TFC's strategy is to enter into long-term consolidated leases. To achieve this TFC is positioning co-terminus expirations of its lease portfolio. Due to the lack of economies of scale and diminished efficiencies, leases groups of less than 100,000 square feet are bundled into manageable itinerant lease pools. The maturation of the lease pools will be monitored to determine when the pool warrants the acquisition or construction of a state owned facility.

## 3. OVERVIEW OF CONSOLIDATION MARKETS

Twenty-five counties contained a minimum of 50,000 square feet of state office space in fiscal 2009. The Commission performed initial performance evaluations for lease facilities in Arlington, Beaumont, Corpus Christi, Dallas, Fort Worth, Lubbock, Houston, and San Antonio to determine cost benefits of buying, building or leasing facilities to house operations of State government. Analyses indicate 182 leases are prime candidates for consolidation into 18 centralized facilities as leases expire over the next 6 years.

### Strategy

TFC will focus on distressed debt opportunities seeking the purchase of – Class A – troubled assets below replacement cost as well as recapitalization of troubled borrowers in exchange for reversionary interests. Distressed debt may reflect situations in which a property faces near-term loan refinance difficulties, recently completed developments struggling to lease up, or a disruption of property cash flow makes mortgage debt service problematic, a default has occurred or is imminent forcing the existing lender to either foreclose and appoint a receiver to work out the property issues, or to offer the current mortgage note for sale at a discounted value.

The ensuing list is not exhaustive; it presents options by which this strategy can be achieved:

- ▶ Utilize databases tracking troubled assets to identify and evaluate non-performing assets.
- ▶ Recapitalize owners of trouble asset for preferred equity and reversionary.

- Structure agreements with banks, lenders and asset managers to assume troubled-nonperforming assets at significant discounts.

With demand for space to house a 10 million square foot lease portfolio, exceptional creditworthiness and the ability to raise funds quickly, the State is uniquely positioned to negotiate from a position of strength and benefit from the imminent market opportunities. The following explanation of the national commercial real estate market and associated graphs were abstracted from multiple industry periodicals that are published annually. Citations of the industry sources are included in “Appendix A Data Sources and Notes”.

#### 4. THE MACRO AND MICRO – WHAT IT MEANS TO THE STATE OF TEXAS

##### a. Macro – The State of National Commercial Real Estate Market

Imminent market conditions, specifically commercial mortgage maturities, provide opportunities to assemble holdings across the State that meet the long term space needs for state government; achieve consolidation initiatives that were previously too expensive; alleviate long-term exposure to lease appropriations, recover from the detriments of blend and extend leasing. If proactive in 2011, the State could secure generational bargains on premium properties, once banks write down/mark-to-market their rapidly expanding and unwanted troubled asset and real estate-owned (REO) portfolios.

**BACKGROUND:** Over the last year, capital markets increased loan-to-cost or value ratios. This required borrowers to commit 35 to 40% equity when seeking financing for development or construction projects. In previous years, less stringent underwriting standards required 15% to 20% equity and were amenable to mezzanine financing which limited true equity commitments. Mezzanine financing has evaporated from the capital stack. In the immediate 2 to 4 years mezzanine lenders will likely lose equity investments to Senior Debt.

In the near term private investment must fill the additional 15 to 20% equity gap. With instability in the capital market private equity investors wait on the sidelines. Investors aren’t willing to take on the risk. This bodes well to limit supply coming online which, in turn, assists absorption and price stabilization of existing commercial supply.

Impending regulatory banking reform will further restrict the capital markets by requiring lenders to hold more cash in reserve – skin in

the game – to cover write-downs. Lenders will be restricted from unscrupulous underwriting and selling off marginal loans to unsuspecting commercial mortgage backed security (CMBS) buyers. This will result in stiffer recourse loan requirements for equity investors and developers. Few developers or investors are willing to take on the risk and construction financing is far more expensive for those who are. In short, increased underwriting criteria will exert downward pressure on future development in the near term.

**TROUBLE IN THE CAPITAL MARKET:** Doomsday without refinancing – From 2010 to 2015, approximately \$1.7 trillion of commercial mortgage maturities will come due. Currently, investors have little to no confidence in CDOs and the CMBS market is at a virtual standstill. Due to the lack of investor confidence and the annual maturation of \$250 to \$300 billion the competition for the limited availability of refinancing capital will be severe. Conservative owners with well underwritten loans from the early 2000’s could witness their equity destruction.

Constricted credit channels, hobbled lenders, and a comatose CMBS market leaves even responsible and equity rich investors with limited refinance options. Without the ability to refinance maturing mortgages, even borrowers in good standing with performing assets will be forced into default and foreclosure.

**FROM SPECULATION BACK TO FUNDAMENTALS:** Future underwriting will be based more so on conservative cash flow rather than speculative appreciation. The determination of value will no longer be based on yester-years cap rates and year-to-year appreciation. Leary underwriters will focus on the value of existing leases, first-year year net operating income (NOI) and conservative lease up (the rate of leasing available space and stabilizing vacancy rates). Lenders will underwrite cash-flow and true yield. Value will be created by filling vacancy and modest increases in rents overtime. In the meantime, values will decline and fundamentals will return, giving less weight to rent escalations which in turn enables cap rate increases.

##### b. Micro – What This Means for Texas

**OPPORTUNITIES ON THE HORIZON:** The limited availability of capital, augmented underwriting fundamentals, declining tenant demand, sluggish absorption, rising vacancy rates, and declining rents equates to an opportunity for well-capitalized and cash-rich institutions or investors.

## 5. OPPORTUNITIES

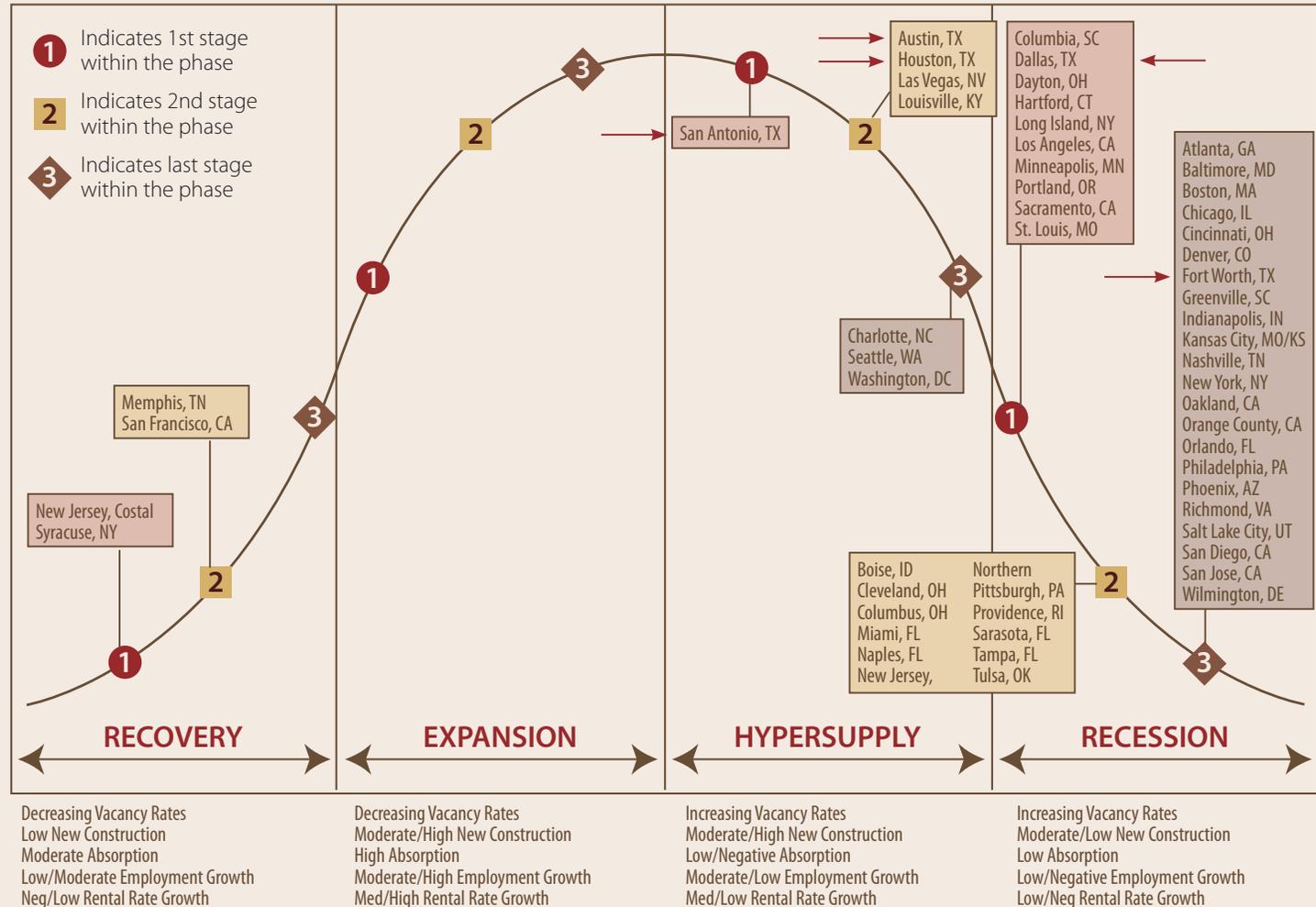
### a. Opportunity – Timing

The trending shift from EXPANSION to HYPER-SUPPLY and RECESSIONARY market conditions is projected for the majority of the nation's major commercial real estate markets. Texas is not immune, but has fared better than all other markets due to a favorable business environment, projected population growth, and comparatively low unemployment rates. There are glimmers of hope on the horizon as economic conditions are steadying.

The Texas economy shows signs of a slow, steady, recovery. As demand for commercial real estate remains comparatively weak and construction of new development remains at a near stand-still; most predictions for a complete recuperation are forecasted for 2011 not 2010.

**What it Means for Consolidation:** As the major cities in which the State leases commercial space waft through market cycles, the State has a finite window of opportunity in which to capitalize on acquiring distressed properties.

### CBD Office Market Cycle



**b. Opportunity – Sales Volume**

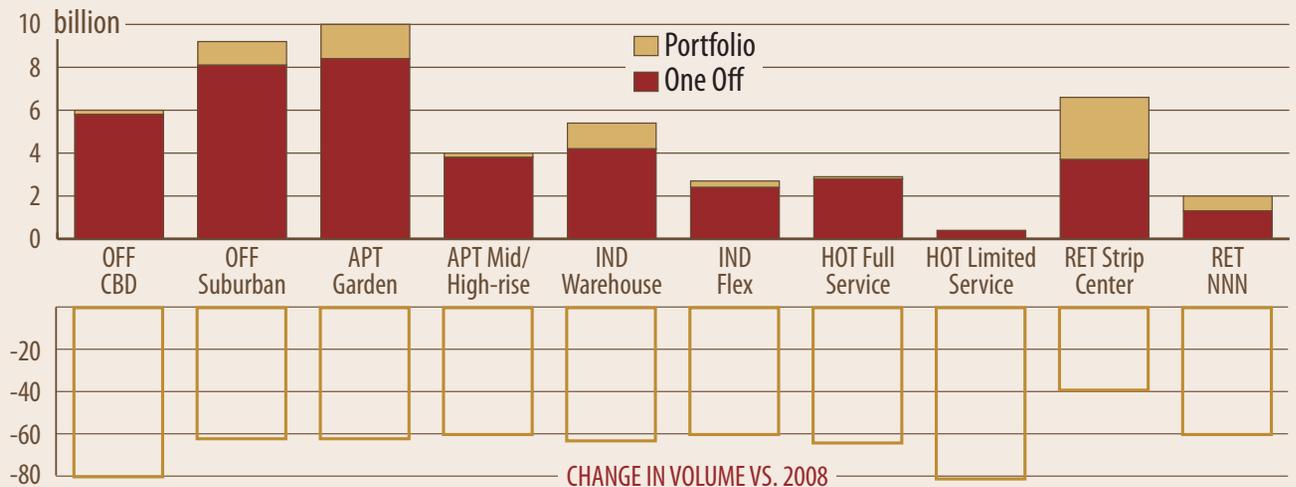
Throughout the nation, commercial real estate trading across all property subtypes dwindled to historic lows. In sales volume for all property types,

there was uniformity in the rate of descent as compared to 2008 volume. The majority of commercial property subtypes plummeted by more than 60%.

**Property Sales – All Core**



**2009 Sales Volume by Property Type**



Data subject to future revision; based on properties & portfolios \$5 mil and greater. ©2010 Real Capital Analytics Inc. All rights reserved.

**What this Means for Consolidation:** Although, limited liquidity in the capital market exerts downward pressure on supply it creates competition for between buyers seeking financing. With a stable rent-roll and exceptional creditworthiness, the State is in a unique position to acquire distressed properties.

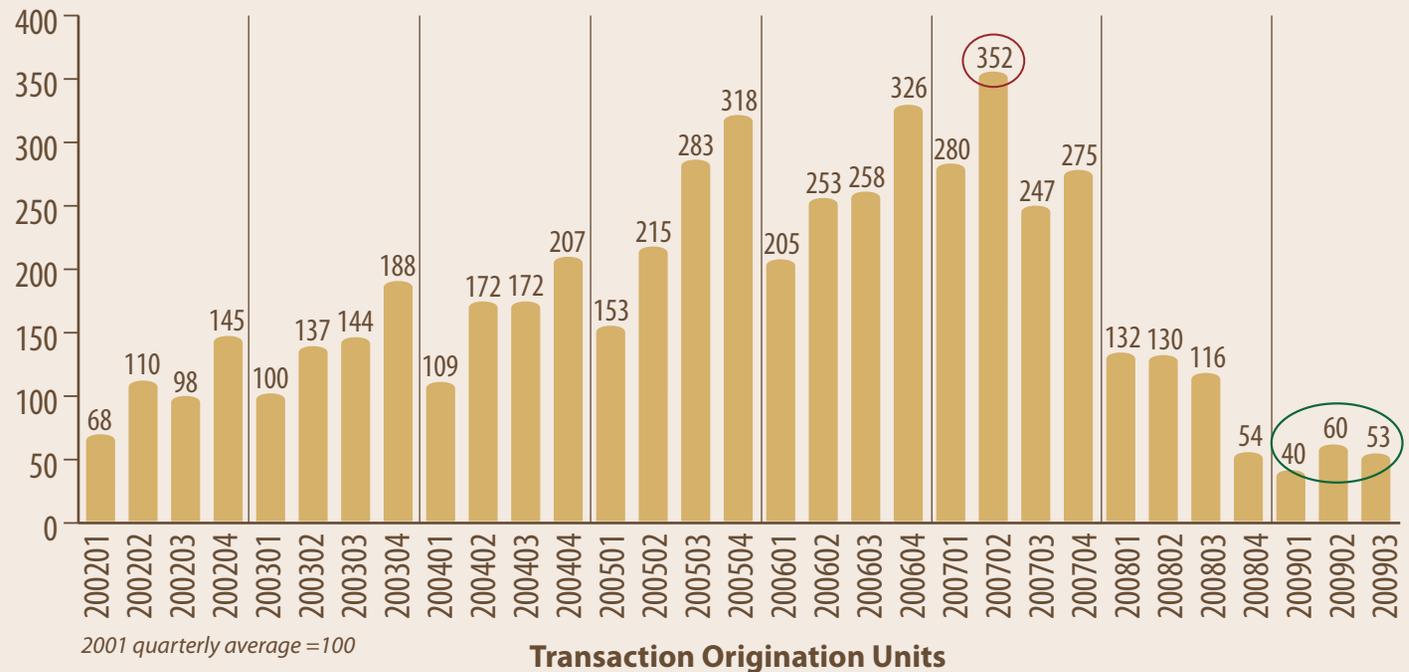
**c. Opportunity – Concussed Leading**

Lending volume for the third quarter of 2009 was 54% lower than the same period in 2008. The 54% overall decrease in commercial/multifamily lending activity was driven by decreases in originations for all property types. Compared to the third quarter of 2008, the overall decrease included a 56% decrease in loans for office properties, a 62% decrease in loans for retail properties, a 59% decrease in loans for health care properties, a 58% decrease in loans for industrial properties, a 46% decrease in hotel property loans, and a 40% decrease loans for multifamily product.

Across all investment sectors, loans or conduits for CMBSs saw a decrease of 90% compared to the third quarter of 2008. There was also a 58% decrease in loans from life insurance companies, a 52% decrease in loans from commercial bank portfolios, and the dollar volume of loans for Government Sponsored Enterprises (or GSEs – Fannie Mae and Freddie Mac) saw a decrease of 31%.

**What this Means for Consolidation:** Twenty to thirty years ago real estate lending was primarily conducted on a local basis where borrowers and lenders had personal relationships. Today, in most cases lending is arms-length transaction where the actual investor is unknown. Recent exposure of ambiguities in the CMBS market resulted in increased scrutiny of loan underwriting principles and fundamentals such that it is now much more difficult to obtain loans to acquire or refinance commercial properties. The credit-worthiness of the State, combined with the use of lease appropriations, could be viewed by lenders as equity infusions to strengthen balance sheets and take-down troubled asset through structured acquisitions.

**Commercial/Multifamily Mortgage Bankers Originations Index**



Source: MBA – The Commercial Real Estate/Multifamily Finance Quarterly Data Book is a quarterly compendium of the latest MBA research on the commercial/multifamily finance markets. The latest version of the data Book can be downloaded from the MBA website at: <http://www.mortgagebankers.org/ResearchandForecasts/>

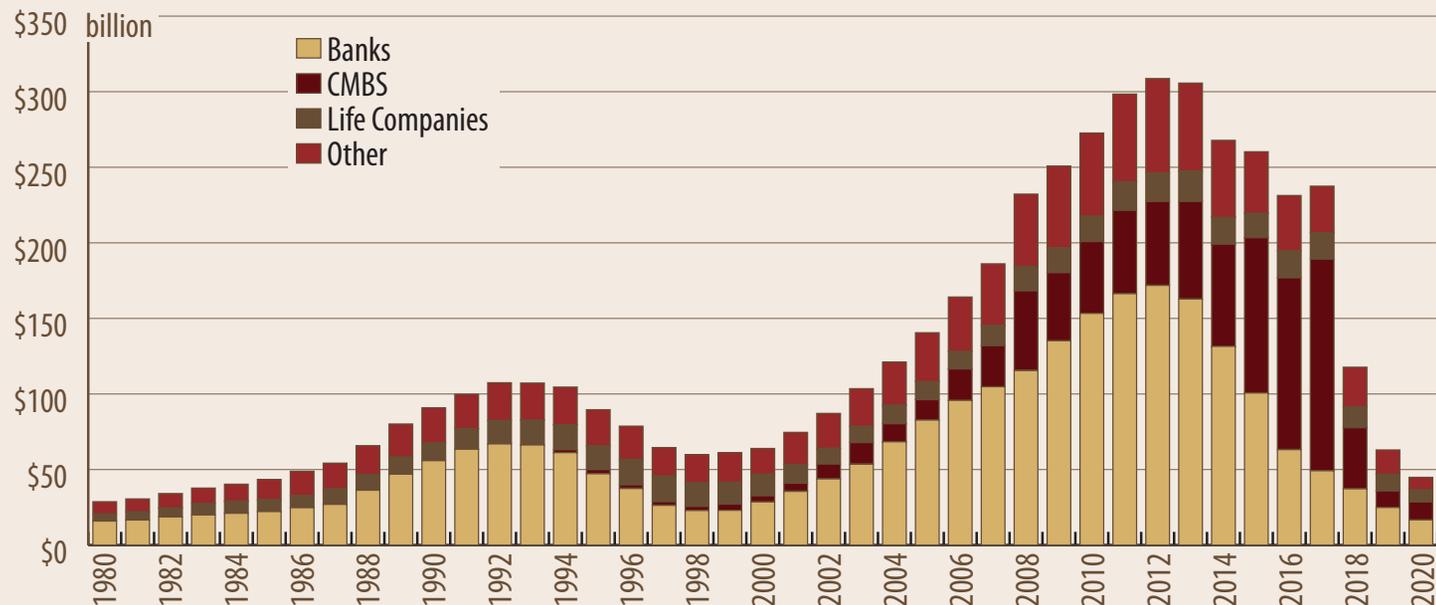
#### d. Opportunity – Loan Maturities

**DISTRESS AND DURESS ON THE HORIZON:** Beginning in 2010 for the first time in US history, the volume of commercial mortgage maturities will teeter between \$250 billion to \$300 billion annually through 2015. To prevent the default of well-underwritten and performing assets in good standing Capital markets must recover sufficiently and quickly enough restart the securitization engine to refinance this maturing debt. Few improvements have been made. The growing concern is the securitization engine will not resume quick enough? With the absence of refinance capital, even well underwritten and performing assets in good standing will be forced into default. The shake-out could continue for years to come. Problems surpass the lack of liquidity from damaged credit markets, the decline in tenant demand, rising vacancies, declining rents, tougher underwriting standards, and higher equity requirements all compound the imminent difficulties.

As the clock ticks on a number of extended loans and challenged developments, the volume of distressed debt opportunities is expected to ratchet up in 2011. In addition to the refinance complications that plagued performing loans in recent months, expect the impact of lower rents and rising vacancies to adversely affect the net operating income of commercial properties and reflect in larger waves of loans to go into default. Although office, retail and industrial properties are afforded some protection from longer lease terms, the full impact of the deterioration in property market fundamentals in these sectors will become evident after 2010.

**What this Means for Consolidation:** Many owners who purchased between 2000 to 2002 and 2005 to 2007 with CMBS and CDO monies will be in need of stable cash flow to restructure existing debt and avoid foreclosure. Banks are looking for well-capitalized buyers to remove non-performing assets from their balance sheets. If proactive, the State could be in position to capitalize on the market cycle.

### Commercial Mortgage Maturities



Source: Foresight Analytics, LLC

**e. Opportunity – Delinquencies**

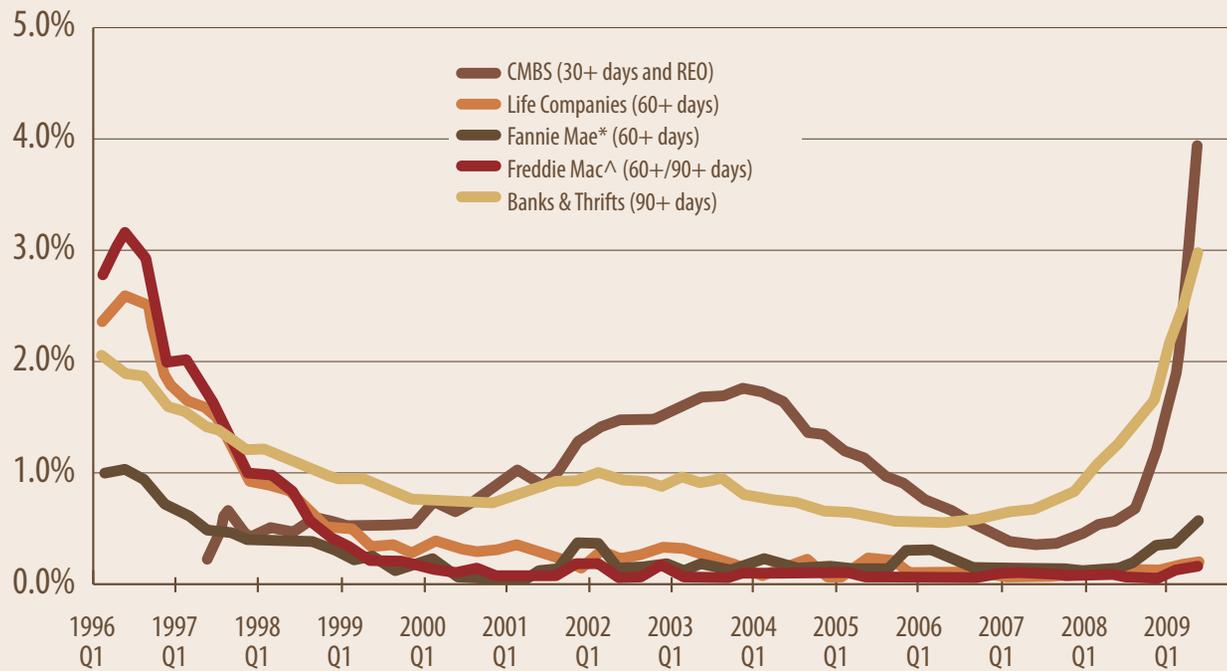
To a large extent, “fire sales” and a wave of distressed properties coming to market have been limited by several factors. The primary is the phenomenon referred to as “pretend and extend” whereby lenders, both in the securitized and portfolio areas of the commercial mortgage market, granted a large number of term extensions to maturing loans. Pretend and extend is used in the hope that refinance conditions will improve in the near-term. Another factor is the necessity of forced sales in the banking sector has been reduced by recent relaxation of mark-to-market accounting regulations and by capital infusions through the federally-funded Troubled Asset Relief Program, commonly known as TARP and private equity raises.

The largest growth in distressed opportunities has emerged in construction and development lending sectors, areas that react rapidly to declining fundamentals. “Distress among development projects increased by more than 30% in the second quarter of 2009.” Development loans

were pummeled as recently completed commercial properties face extremely weak leasing up prospects. As interest reserves dwindle on these challenged developments, overleveraged borrowers will be forced to attempt to renegotiate loan terms; lenders, on the other hand, may be forced to accept steep losses relative to outstanding loan advances. According to analysis of the Real Capital Analytics database of more than \$108 billion of distressed assets, at the end of the second quarter of 2009, distressed office and development accounted for (15.3%) and (18.8%) respectively.

**What this Means for Consolidation:** Delinquencies are increasing, significant maturities are on the horizon, owners and lenders are looking for solutions for troubled assets. Late 2010 through 2014 will be a limited opportunity for the State to negotiate with Lenders, Troubled Asset Managers, and REO Managers and benefit from consolidating leases into state-owned facilities acquired at historically low prices.

**Commercial/Multifamily Delinquency Rates**



Source: Wachovia Capital Markets, LLC and Intex Solutions, Inc., American Council of Life Insurers, Fannie Mae, Freddie Mac, OFHEO and Federal Deposit Insurance Corporation.

#### **f. Summary of Opportunities – What They Mean and How the State Benefits**

Commercial real estate conditions remain weak. Demand for existing space continues to fall and rents are trending down. Commercial construction is at historically low levels. On the financial side, uncertainty increases about the prospect of renegotiating terms of maturing commercial real estate loans. The de-leveraging of the U.S. commercial real estate market will provide numerous opportunities. Distressed opportunities may be slow in coming to the marketplace due to lenders' ability to grant lengthy extensions to maturing loans. Distressed opportunities are believed to ramp up due to declining property fundamentals. The demand for refinancing quality properties is expected to expand as mortgage liquidity remains constrained over the near term. As a result, there will be great opportunities for the State to negotiate with distressed Owners, Lenders, REO and Asset Managers to acquire title or equitable interest in Class A properties at generational bargains.

#### **Notable Points**

- ▶ Lack of Liquidity, Motivated Sellers and Lenders = Generationally low pricing and favorable terms
- ▶ Less Demand = Less competition and greater negotiating leverage to acquire Class A properties
- ▶ Development and Construction at a Near Standstill = Declining Construction and Finish-Out Costs
- ▶ Stagnant Absorption = Lessors' facing difficulty finding replacement tenants, thus are more accepting to request for short term extensions with terms amenable to the State's consolidation initiative.



# Appendix A

Information was collected and documented from many sources to ensure timely and accurate data is represented in this report. The primary sources of data include agency responses to the Commission's biennial Request for Information Survey; the Commission's fiscal, maintenance, state-owned space utilization, and lease databases; and information gained through staff surveys of real estate market conditions throughout Texas.

The following list sets out the data characteristics used to develop this report.

- ▶ **Direct Input from 103 State Agencies**  
Information from 103 state agencies provided current and projected staffing levels through FY2015, total tenant agency facility expenditures for FY2009, total building project expenses and office building inventories, and requests for project analyses.
- ▶ **Real Estate Market Conditions in 28 Texas Cities**  
In accordance with statutory requirements to examine counties with a minimum need of 50,000 square feet of office space, TFC obtained and analyzed information from 25 counties, 28 cities.
- ▶ **Space Utilization and Cost Details for 14.7 Million Square Feet of Leased and Owned Office Facilities**  
Office facilities leased or owned by TFC are located in 283 Texas cities, provide office space for 60,265 state employees, and cost \$230 million in FY2009.
- ▶ **Commercial Real Estate Industry Publications**  
Integra Realty Resources, "IRR-Viewpoint Real Estate Value Trends", 2010.  
  
Joint Venture: Urban Land Institute and PriceWaterhouseCoopers, "Emerging Trends in Real Estate", 2010.

CB Richard Ellis, "Special Report – The Upside of the Downturn", January 2010.

Mortgage Bankers Association, "Commercial Real Estate/Multi Family Finance Quarterly Data Book Q3 2009".

Preparations for producing this report typically begin ten months prior to its publication. In the fall preceding the publication date, TFC issues a request for information (RFI) to agencies to obtain specific facility, staffing, and expense information. The following list represents the RFI sections with corresponding statutory references and applicable agencies that must respond:

- ▶ **Space Needs Assessment, Government Code Sections 2166.102 (Travis County) and 2166.103 (statewide).**  
  
All agencies that occupy state-owned or leased office space must respond. Agencies' responses include information describing staffing levels effective September 1, 2009, and projections through FY2015; expenses incurred during FY2009 for telephone, janitorial, utilities, security, expenses outside the contract amount of leased facilities or beyond the basic services provided in state-owned buildings.
- ▶ **Building and Construction Information, Government Code Section 2166.101.**  
  
All agencies that control and/or construct state-owned facilities, excluding hospitals, correction facilities, and buildings under the control of institutions of higher education, must respond. Submissions contain information on past and recent building projects and technical data reflecting facility types, current physical conditions, use, materials, methods of delivery, and total project costs.

- ▶ Requests for Project Analyses, Government Code Sections 2166.104 and 2166.151. All agencies without independent authority to construct facilities are required to submit a request for project analyses or cost estimates for proposed new construction or other capital projects.

Other data sources utilized in this document include:

- ▶ TFC State-Owned Space Utilization Database. This database contains information on the Commission's inventory of state-owned facilities. (See Appendix B for a complete list of Commission-owned and managed facilities). The database is supported by an interactive computer aided design (CAD) graphic imaging and record system containing field-verified square footage for every space within each facility detailing its use and each agency's space allocation. Information for each facility is updated annually. Information in the database is used to calculate tenant agencies' pro-rata share of maintenance and operation costs.
- ▶ TFC Leasing Records. Leasing records are used in the development of this report for data such as lease locations, rents, occupying agencies, square footage, and terms.
- ▶ TFC Fiscal and Maintenance Expense Records. These records are critical to the development of cost-benefit analyses. The records contain detailed expense information reflecting all building related costs: operations, maintenance, utilities, grounds, custodial, security, deferred maintenance, and bond debt. Over the last year, successful efforts were made by agency staff to improve cost accountancy accuracy for all the TFC facilities. While the strategic installation of additional metering devices and full implementation of a new building management application will further enhance the integrity of building cost accounting records, this report contains the most accurate portrayal of building operating expenses currently available.
- ▶ Survey of Real Estate Market Conditions. Real estate market conditions are investigated in the spring prior to publication of this report. Commission staff collects and documents real estate market conditions from industry data available on the Internet, through telephone interviews, and through faxed questionnaires. Information was gathered from a minimum of two independent sources within each city where the State occupies at least 50,000 square feet of office space. Types of data collected include market size, lease space availability, current lease rate ranges, buildings available for purchase, and overall market conditions.

The following is a listing of additional data sources:

- ▶ Department of Information Resources—Telecommunications Costs
- ▶ Texas Public Finance Authority—Bond Rates
- ▶ Safe Keeping Trust Fund, Investments Division—Discount Rates

## Notes

Square foot volumes for state-leased space are compiled from the relevant lease contract. Square foot volumes for state-owned space are compiled from field measurements or are estimated based on available floor plans or historical documentation.

FY2009 TFC Owned and Managed Facilities Inventory

# Appendix B

		Bldg. ID	Facility Name	Address	City	Use	Gross Sq. Ft.	Usable Sq. Ft.
			<b>OFFICE</b>					
1	1	BHB	Brown-Heatly Building	4900 North Lamar	Austin	Office	259,974	176,138
2	2	CSB	Central Services Building	1711 San Jacinto	Austin	Office	96,864	76,115
3	3	CSX	Central Services Annex	311 East 14th St.	Austin	Office	15,070	10,933
4	4	CUB	Credit Union Building	914 E. Anderson	Austin	Office	4,182	3,137
5	5	DARS	DARS Administration Building	4800 North Lamar	Austin	Office	47,447	34,989
6	6	DHB	DSHS Headquarters Building (Old MHMR HQ)	909 W. 45th St.	Austin	Office	72,182	54,137
7	7	DHF	DSHS Building F	1100 W. 49th St.	Austin	Office	7,485	5,614
8	8	DHR	DSHS Records Building	1100 W. 49th St.	Austin	Office	30,984	23,238
9	9	DHSB	DSHS Service Building	1100 W. 49th St.	Austin	Office	40,000	30,000
10	10	DHT	DSHS Tower	1100 W. 49th St.	Austin	Office	100,997	75,748
11	11	DHX	DSHS Annex (Old MHMR Annex)	909 W. 45th St.	Austin	Office	17,564	13,173
12	12	ELP	El Paso State Office Building	401 E. Franklin	El Paso	Office	117,932	91,170
13	13	ERB	Elias Ramirez State Building	5425 Polk Street	Houston	Office	239,271	196,513
14	14	FTW	Fort Worth State Building	1501 Circle Drive	Fort Worth	Office	70,137	54,889
15	15	GJS	G.J. Sutton Building	321 Center St.	San Antonio	Office	99,792	62,456
16	16	GJSW	G.J. Sutton Building West	321 Center St.	San Antonio	Office	12,100	8,889
17	17	INS	Insurance Building	1100 San Jacinto	Austin	Office	86,029	65,111
18	18	INX	Insurance Annex	221 E. 11th St.	Austin	Office	59,757	38,816
19	19	JER	James E. Rudder Building	1019 Brazos	Austin	Office	77,880	55,707
20	20	JHR	John H. Reagan Building	105 West 15th Street	Austin	Office	161,811	121,696
21	21	JHW	John H. Winters Building	701 West 51st Street	Austin	Office	482,584	364,200
22	22	LBJ	Lyndon B. Johnson Building	111 E. 17th St.	Austin	Office	299,512	220,980
23	23	P35A	Park 35 Building A	12100 N. IH 35	Austin	Office	196,302	165,720
24	24	P35B	Park 35 Building B	12124 N. IH 35	Austin	Office	52,113	44,747

		Bldg. ID	Facility Name	Address	City	Use	Gross Sq. Ft.	Usable Sq. Ft.
25	25	P35C	Park 35 Building C	12124 N. IH 35	Austin	Office	79,976	73,013
26	26	P35D	Park 35 Building D	12118 N. IH 35	Austin	Office	54,502	51,005
27	27	P35E	Park 35 Building E	12118 N. IH 35	Austin	Office	47,428	42,622
28	28	PDB	Price Daniel, Sr. Building	209 West 14th St.	Austin	Office	136,429	100,271
29	29	RBB	Dr. Robert Berstein Building	1100 W. 49th St.	Austin	Office	59,917	44,938
30	30	RDM	Robert D. Moreton Building	1100 W. 49th St.	Austin	Office	123,018	91,977
31	31	REJ	Robert E. Johnson Building	1501 North Congress	Austin	Office	307,091	244,382
32	32	SCB	Supreme Court Building	201 W. 14th St.	Austin	Office	69,253	50,900
33	33	SFA	Stephen F. Austin Building	1700 North Congress	Austin	Office	418,171	307,915
34	34	SFB	State Finance Building	2601 N. Lamar	Austin	Office	38,165	29,716
35	35	SHB	Sam Houston Building	201 East 14th St.	Austin	Office	170,967	94,136
36	36	TCC	Tom C. Clark Building	205 West 14th St.	Austin	Office	101,299	60,077
37	37	THO	E. O. Thompson Building	920 Colorado	Austin	Office	67,689	39,574
38	38	TJR	Thomas Jefferson Rusk Building.	200 E. 10th St.	Austin	Office	99,971	74,453
39	39	TRC	Carlos F. Truan Natural Resource Center	6300 Ocean Drive	Corpus Christi	Office	98,681	72,479
40	40	TYL	Tyler State Office Building	3303 Mineola Hwy.	Tyler	Office	52,269	45,474
41	41	WAC	Waco State Building	801 Austin Ave.	Waco	Office	97,311	69,599
42	42	WBT	William B. Travis Building	1701 North Congress	Austin	Office	466,358	380,003
43	43	WPC	William P. Clements Building	300 West 15th St,	Austin	Office	473,215	374,091
44	44	WPH1	William P. Hobby Building Twr. I	333 Guadalupe St.	Austin	Office	229,861	164,152
		WPH2	William P. Hobby Building Twr. II	333 Guadalupe St.	Austin	Office	49,453	33,716
		WPH3	William P. Hobby Building Twr. III	333 Guadalupe St.	Austin	Office	140,058	113,690
<b>TOTAL OFFICE</b>							<b>6,029,051</b>	<b>4,552,299</b>

			MISCELLANEOUS					
45	1	ARC	Lorenzo de Zavala Archives & Library	1200 Brazos	Austin	Library	111,244	85,913
46	2	CCF1	Child Care Center Bldg. #1.	1501 Lavaca	Austin	Classroom	8,003	3,101
47	3	CCF2	Child Care Center Bldg. #2.	1507 Lavaca	Austin	Classroom	3,332	2,371
48	4	CEM	Cemetery Building	909 Navasota	Austin	Museum	4,796	2,694
49	5	CEBD	Cemetery Building Old Residence	709 Navasota	Austin	Residence	1,125	1,125
50	6	DHK	DSHS Building K	1100 W. 49th St.	Austin	Lecture Hall	4,679	3,509
51	7	DHNL	DSHS New Laboratory	1100 W. 49th St.	Austin	Laboratory	176,201	141,000
52	8	DHLPD	DSHS Portable Laboratory D	1100 W. 49th St.	Austin	Laboratory	5,818	5,577
53	9	DROC	Disaster Recovery Operations	1001 W. No. Loop	Austin	Computer Center	25,295	21,323

		Bldg. ID	Facility Name	Address	City	Use	Gross Sq. Ft.	Usable Sq. Ft.
54	10	PROM	Promontory Point	4044 Promontory Point	Austin	Service Center	152,225	132,200
55	11	STA	Service Station	1500 San Jacinto	Austin	Service Station	1,284	1,249
56	12	WLL	Wheless Lane Laboratory	2801 Wheless Lane	Austin	Laboratory	3,516	3,043
<b>TOTAL MISCELLANEOUS</b>							<b>497,518</b>	<b>403,105</b>

			WAREHOUSE/STORAGE					
57	1	DHH	DSHS Building H	1100 W. 49th St.	Austin	Storage	1,500	1,500
58	2	HSW	Human Services Warehouse	1111 North Loop	Austin	Warehouse	104,658	100,345
59	3	INW	Insurance Warehouse	7915 Cameron Road	Austin	Warehouse	25,479	23,864
60	4	SRC	State Records Center	4400 Shoal Creek Blvd.	Austin	Storage	132,965	132,965
61	5	SUR1	Surplus Property, San Antonio District	2103 Ackerman Rd.	San Antonio	Warehouse	25,000	25,000
62	6	SUR2	Surplus Property, Fort Worth District	2826 N. Beach Rd.	Fort Worth	Warehouse	22,843	22,458
63	7	SUR4	Surplus Property, Houston District	8611 Wallisville Rd.	Houston	Warehouse	20,000	20,000
64	8	TRCA	Truan Natural Resource Center Boat Storage	6300 Ocean Drive	Corpus Christi	Boat Storage	11,737	0
65	9	WHB	Warehouse at Bolm Road	6506 Bolm Road	Austin	Warehouse	50,623	49,928
<b>TOTAL WAREHOUSE/STORAGE</b>							<b>394,805</b>	<b>376,060</b>

			PARKING GARAGES					
66	1	PKA	Parking Garage A	1401 San Jacinto	Austin	Garage	300,767	0
67	2	PKB	Parking Garage B	1511 San Jacinto	Austin	Garage	269,087	0
68	3	PKC	Parking Garage C	1400 Colorado	Austin	Garage	18,501	0
69	4	PKE	Parking Garage E	1604 Colorado	Austin	Garage	487,248	0
70	5	PKF	Parking Garage F	1311 San Jacinto	Austin	Garage	149,606	9,391
71	6	PKG	Parking Garage G	315 E. 17th St.	Austin	Garage	96,697	0
72	7	PKH	Parking Garage H	4900 North Lamar	Austin	Garage	310,137	3,885
73	8	PKHW	Parking Garage H West	4900 Sunshine	Austin	Garage	323,898	0
74	9	PKJ	Parking Garage J	300 West 15th St.	Austin	Garage	261,882	1,894
75	10	PKK	Parking Garage K Thomas J. Rusk Bldg.	200 E. 10th St.	Austin	Garage	98,498	0
76	11	PKL	Parking Garage L William P Hobby Bldg.	333 Guadalupe St.	Austin	Garage	141,666	0
77	12	PKM1	Parking Garage M1 Price Daniel Bldg.	209 West 14th St.	Austin	Garage	11,476	0
78	13	PKM2	Parking Garage M2 Tom C Clark Bldg.	205 West 14th St.	Austin	Garage	16,074	0
79	14	PKN	Parking Garage N	300 San Antonio	Austin	Garage	318,786	13,353
80	15	PKP	Parking Garage P	1518 San Jacinto	Austin	Garage	261,737	0
81	16	PKQ	Parking Garage Q	1610 San Jacinto	Austin	Garage	277,700	0

		Bldg. ID	Facility Name	Address	City	Use	Gross Sq. Ft.	Usable Sq. Ft.
82	17	PKR	Parking Garage R	1706 San Jacinto	Austin	Garage	585,139	10,000
83	18	EPG	El Paso State Building Garage	301 E. Missouri	El Paso	Garage	193,473	0
<b>TOTAL PARKING GARAGES</b>							<b>4,122,372</b>	<b>38,523</b>

			PARKING LOTS					
84	1	PK02	Parking Lot 2	111 E. 17th St.	Austin	Parking Lot	46,920	0
85	2	PK03	Parking Lot 3	1601 Colorado	Austin	Parking Lot	53,248	0
86	3	PK06	Parking Lot 6	1308 San Jacinto	Austin	Parking Lot	8,867	0
87	4	PK07	Parking Lot 7	1807 North Congress	Austin	Parking Lot	108,800	0
88	5	PK08	Parking Lot 8	1507 Lavaca	Austin	Parking Lot	58,788	0
89	6	PK8A	Parking Lot 8A	1507 Lavaca	Austin	Parking Lot	6,300	0
90	7	PK8B	Parking Lot 8B	1507 Lavaca	Austin	Parking Lot	2,800	0
91	8	PK11	Parking Lot 11	1500 North Congress	Austin	Parking Lot	55,200	0
92	9	PK12	Parking Lot 12	1801 San Jacinto	Austin	Parking Lot	99,674	0
93	10	PK14	Parking Lot 14	1000 North Congress	Austin	Parking Lot	80,189	0
94	11	PK15	Parking Lot 15	902 Colorado	Austin	Parking Lot	17,664	0
95	12	PK18	Parking Lot 18	1301 San Jacinto	Austin	Parking Lot	17,664	0
96	13	PK19	Parking Lot 19	203 MLK Blvd.	Austin	Parking Lot	34,320	0
97	14	PK22	Parking Lot 22	1501 San Jacinto	Austin	Parking Lot	40,848	0
98	15	PK24	Parking Lot 24	1606 Colorado	Austin	Parking Lot	1,800	0
99	16	PK25	Parking Lot 25	1111 Colorado	Austin	Parking Lot	21,760	0
100	17	PK26	Parking Lot 26	701 W. 51st Street	Austin	Parking Lot	509,303	0
101	18	PK27	Parking Lot 27	101 E 11th Street	Austin	Parking Lot	20,480	0
102	19	CCP	Truan Natural Resources Center Parking Lot	6300 Ocean Drive	Corpus Christi	Parking Lot	65,280	0
103	20	CUBP	Credit Union Building Parking Lot	914 E. Anderson Ln.	Austin	Parking Lot	5,600	0
104	21	DHP	DSHS Parking Lots	1100 W. 49th St.	Austin	Parking Lot	178,500	0
105	22	ELPP	El Paso State Building Parking Lot	401 E. Franklin	El Paso	Parking Lot	26,143	0
106	23	ERBP	Elias Ramirez Building Parking Lots	5425 Polk Avenue	Houston	Parking Lot	216,216	0
107	24	FTWBP	Fort Worth Building Parking Lots	1501 Circle Drive	Fort Worth	Parking Lot	113,066	0
108	25	GJSP	G. J. Sutton Building Parking Lots	321 Center St.	San Antonio	Parking Lot	182,017	0
109	26	HSWP	Human Services Warehouse/DROC Parking Lots	1111 North Loop	Austin	Parking Lot	56,350	0
110	27	P35P	Park 35 Parking Lots	12100 N. IH 35	Austin	Parking Lot	547,903	0
111	28	PROMP	Promontory Point Parking Lots	4044 Promontory Point	Austin	Parking Lot	220,880	0
112	29	SFBP	State Finance Building Parking Lot	2601 N. Lamar	Austin	Parking Lot	35,700	0

		Bldg. ID	Facility Name	Address	City	Use	Gross Sq. Ft.	Usable Sq. Ft.
113	30	SRCP	State Records Center Parking Lots	4044 Shoal Creek Blvd.	Austin	Parking Lot	38,500	0
114	31	SUR1	Surplus Property, San Antonio Parking Lot/Storage	2103 Ackerman Rd.	San Antonio	Parking Lot/Storage	193,050	0
115	32	SUR2	Surplus Property, Fort Worth Parking Lot/Storage	2826 N. Beach St.	Fort Worth	Parking Lot/Storage	178,500	0
116	33	SUR4	Surplus Property, Houston Parking Lot/Storage	8611 Wallisville Rd.	Houston	Parking Lot/Storage	106,052	0
117	34	TYLP	Tyler State Parking Lot	3303 Mineola Hwy.	Tyler	Parking Lot	135,221	0
118	35	WHBP	Warehouse at Bolm Road Parking Lot	6506 Bolm Road	Austin	Parking Lot	26,250	0
119	36	WSBP	Waco State Building Parking Lots	801 Austin Ave.	Waco	Parking Lot	88,155	0
<b>TOTAL PARKING LOTS</b>							<b>3,598,008</b>	<b>0</b>

			LAND					
120	1	CEML	State Cemetery Land 21 acres	909 Navasota	Austin	Cemetery	914,760	0
121	2	CEMBC	Bull Creek Annex Land 44 acres	27 1/2 W. 45th Street	Austin	Cemetery	2,012,036	0
122	3	ESP	Esplanade	1200 San Jacinto	Austin	Land	2,400	0
<b>TOTAL LAND</b>							<b>2,929,196</b>	<b>0</b>

<b>STATEWIDE TOTAL:</b>							<b>17,570,950</b>	<b>5,369,987</b>
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This report excludes the following:

- ▶ Aircraft Pooling Board Facility (ABP) subleased and managed by the Texas Department of Transportation (TxDOT); TFC pays bond debt associated with this facility.
- ▶ French Legation Museum (FLM) under the custodianship of the Daughters of the Republic of Texas; TFC holds title to this facility.



FY2009 State Office Building Operation and Maintenance Costs

# Appendix C

Year Built/ Acquired	Bldg. ID	Facility Name	Square Feet	Utilities	Maintenance & Custodial *	Bond Debt	Total Cost per Square Foot
<b>AUSTIN</b>							
1989	BHB	Brown-Heatly Building	259,974	\$789,923.74	\$867,171.27	\$2,949,204.97	\$17.72
1980	CSB	Central Services Building	96,864	\$212,193.87	\$279,841.68	\$611,331.24	\$11.39
1974	CSX	Central Services Annex	15,070	\$26,292.72	\$90,639.88		\$7.76
1975	CUB	Credit Union Building	4,182	\$5,630.34	\$14,967.89		\$4.93
1986	DARS	DARS Administration Building	47,447	\$89,280.25	\$176,370.82		\$5.60
1969	DHB	DSHS Headquarters Building (Old MHMR HQ)	72,182	\$106,387.01	\$309,548.62		\$5.76
1958	DHF	DSHS Building F	7,485	\$25,866.38	\$17,778.27		\$5.83
1958	RBB	Dr. Robert Bernstein Building	59,917	\$207,058.91	\$198,508.59		\$6.77
1976	DHR	DSHS Records Building	30,984	\$107,073.34	\$151,756.30		\$8.35
1976	DHSB	DSHS Service Building	40,000	\$138,230.49	\$159,407.23		\$7.44
1976	DHT	DSHS Tower	100,997	\$349,021.62	\$301,622.49		\$6.44
1957	DHX	DSHS Annex (Old MHMR Annex)	17,564	\$25,887.08	\$124,076.32		\$8.54
1961	INS	Insurance Building	86,029	\$214,872.56	\$281,007.89	\$68,437.35	\$6.56
1959/1977	INX	Insurance Annex	59,757	\$131,365.39	\$147,850.82		\$4.67
1917	JER	James E. Rudder Building	77,880	\$241,515.42	\$231,142.61	\$629,751.95	\$14.16
1961	JHR	John H. Reagan Building	161,811	\$292,227.90	\$289,072.36	\$2,174,591.00	\$17.03
1984	JHW	John H. Winters Building	482,584	\$1,464,260.31	\$1,250,080.72	\$72,311.13	\$5.77
1973	LBJ	Lyndon B. Johnson Building	299,512	\$931,142.70	\$604,038.06	\$11,923.47	\$5.17
1994/2005	P35A	Park 35 Building A	196,302	\$439,329.50	\$623,049.26	\$1,589,898.63	\$13.51
1994/2005	P35B	Park 35 Building B	52,113	\$101,592.95	\$168,003.37	\$291,279.43	\$10.76
1983/2005	P35C	Park 35 Building C	79,976	\$181,599.47	\$305,790.14	\$455,590.90	\$11.79
1992/2005	P35D	Park 35 Building D	54,502	\$83,749.41	\$154,541.47	\$356,825.00	\$10.92

Year Built/ Acquired	Bldg. ID	Facility Name	Square Feet	Utilities	Maintenance & Custodial *	Bond Debt	Total Cost per Square Foot
1992/2005	P35E	Park 35 Building E	47,428	\$92,876.03	\$148,267.79	\$316,429.71	\$11.76
1991	PDB	Price Daniel, Sr. Building	136,429	\$304,236.35	\$273,680.98	\$2,142,085.56	\$19.94
1989	RDM	Robert D. Moreton Building	123,018	\$255,882.41	\$283,686.92	\$966,299.87	\$12.24
2000	REJ	Robert E. Johnson Building	307,091	\$810,640.82	\$634,097.10	\$3,835,255.42	\$17.19
1960	SCB	Supreme Court Building	69,253	\$133,359.21	\$218,804.13	\$690,057.60	\$15.05
1973	SFA	Stephen F. Austin Building	418,171	\$800,187.56	\$752,285.93	\$8,934.59	\$3.73
1968	SFB	State Finance Building	38,165	\$75,526.57	\$76,421.20		\$3.98
1959	SHB	Sam Houston Building	170,967	\$356,455.19	\$486,547.74	\$1,077,141.65	\$11.23
1960	TCC	Tom C. Clark Building	101,299	\$225,274.53	\$237,887.93	\$993,009.71	\$14.37
1939/1945	THO	E. O. Thompson Building	67,689	\$170,046.20	\$172,068.90		\$5.05
1976/1995	TJR	Thomas Jefferson Rusk Building	99,971	\$267,004.86	\$255,944.77	\$869,380.08	\$13.93
1985	WBT	William B. Travis Building	466,358	\$1,213,663.93	\$960,843.87	\$17,330.91	\$4.70
1986/1990	WPC	William P. Clements Building	473,215	\$1,060,054.27	\$812,912.96	\$4,238,031.40	\$12.91
1986/1991	WPH	William P. Hobby Building, Towers I, II, and III	419,372	\$990,180.73	\$976,962.16	\$3,108,119.37	\$12.10
<b>AUSTIN TOTAL</b>			<b>5,241,558</b>	<b>\$12,919,890.02</b>	<b>\$13,036,678.44</b>	<b>\$27,473,220.95</b>	<b>\$10.19</b>

Year Built/ Acquired	Bldg. ID	Facility Name	Square Feet	Utilities	Maintenance & Custodial *	Bond Debt	Total Cost per Square Foot
<b>OUTSIDE AUSTIN</b>							
<b>CORPUS CHRISTI</b>							
1996	TRC	Carlos F. Truan Natural Resource Center	98,681	\$164,014.94	\$201,542.79	\$743,817.31	\$11.24
<b>EL PASO</b>							
1999	ELP	El Paso State Office Building	117,932	\$309,821.62	\$382,994.04	\$1,256,269.86	\$16.53
<b>FORT WORTH</b>							
1998	FTW	Fort Worth State Office Building	70,137	\$168,170.66	\$238,377.61	\$339,747.00	\$10.64
<b>HOUSTON</b>							
1931/1995	ERB	Elias Ramirez Building	239,271	\$749,135.81	\$671,397.20	\$1,174,719.98	\$10.85
<b>SAN ANTONIO</b>							
1912/1975	GJS	G. J. Sutton Building	99,792	\$143,717.35	\$490,741.03	\$223,194.95	\$8.59
1912/1975	GJSW	G. J. Sutton Building, West	12,100	\$17,426.04	\$59,503.43	\$27,585.89	\$8.64
<b>TYLER</b>							
1970/2005	TYL	Tyler State Office Building	52,269	\$-	\$-	\$251,900.70	\$4.82
<b>WACO</b>							
1913/1996	WAC	Waco State Office Building	97,311	\$434,811.94	\$260,133.59	\$438,398.87	\$11.65
<b>OUTSIDE AUSTIN TOTAL</b>			<b>787,493</b>	<b>\$1,987,098.36</b>	<b>\$2,304,689.69</b>	<b>\$4,455,634.55</b>	<b>\$11.11</b>
<b>TFC STATEWIDE TOTAL</b>			<b>6,029,051</b>	<b>\$14,906,988.38</b>	<b>\$15,341,368.13</b>	<b>\$31,928,855.50</b>	<b>\$10.31</b>

\* An itemized accounting of receipts and expenditures for improvements and repairs is archived in TFC's computer aided facility management database.



FY2009 Telecommunications Costs

# Appendix D

AGENCY ID	AGENCY	TEXAN (LONG DISTANCE)	CCTS (CAPITOL COMPLEX TELE. SERVICE)	TOTAL SALES
101	TEXAS SENATE	\$41,265.95	\$152,388.35	\$193,654.30
102	TEXAS HOUSE OF REPRESENTATIVES	\$64,594.68	\$233,610.90	\$298,205.58
103	TEXAS LEGISLATIVE COUNCIL	\$1,126,068.05	\$71,950.26	\$1,198,018.31
104	LEGISLATIVE BUDGET BOARD	\$2,359.98	\$44,802.35	\$47,162.33
105	LEGISLATIVE REFERENCE LIBRARY	\$436.41	\$7,021.01	\$7,457.42
116	SUNSET ADVISORY COMMISSION	\$129.10	\$8,837.25	\$8,966.35
201	SUPREME COURT OF TEXAS	\$1,025.45	\$25,778.77	\$26,804.22
202	STATE BAR OF TEXAS	\$59,065.39	\$4,919.75	\$63,985.14
203	BOARD OF LAW EXAMINERS	\$2,930.55	\$10,675.23	\$13,605.78
211	COURT OF CRIMINAL APPEALS	\$800.55	\$15,339.35	\$16,139.90
212	OFFICE OF COURT ADMINISTRATION	\$135,097.82	\$28,065.79	\$163,163.61
213	STATE PROSECUTING ATTORNEY	\$79.40	\$1,774.00	\$1,853.40
223	COURT OF APPEALS - 3RD DISTRICT	\$340.32	\$11,147.87	\$11,488.19
242	COMMISSION ON JUDICIAL CONDUCT	\$3,940.54	\$4,777.75	\$8,718.29
243	STATE LAW LIBRARY	\$119.98	\$5,510.45	\$5,630.43
301	OFFICE OF THE GOVERNOR	\$25,317.17	\$94,708.99	\$120,026.16
301-013	OFFICE OF THE GOVERNOR	\$1,417.80	\$8,799.17	\$10,216.97
302	OFFICE OF THE ATTORNEY GENERAL	\$4,230,220.75	\$720,612.75	\$4,950,833.50
303	TEXAS FACILITIES COMMISSION	\$75,915.85	\$154,409.83	\$230,325.68
304	COMPTROLLER OF PUBLIC ACCOUNTS	\$1,480,219.37	\$664,592.19	\$2,144,811.56
305	GENERAL LAND OFFICE	\$145,795.25	\$176,220.82	\$322,016.07
306	TEXAS STATE LIBRARY & ARCHIVES	\$52,605.25	\$42,073.88	\$94,679.13
307	SECRETARY OF STATE	\$47,280.80	\$101,275.06	\$148,555.86
308	STATE AUDITOR'S OFFICE	\$1,723.31	\$46,948.79	\$48,672.10

AGENCY ID	AGENCY	TEXAN (LONG DISTANCE)	CCTS (CAPITOL COMPLEX TELE. SERVICE)	TOTAL SALES
312	STATE SECURITIES BOARD	\$16,969.09	\$27,690.97	\$44,660.06
313	DEPARTMENT OF INFORMATION RESOURCES	\$584,303.66	\$147,715.95	\$732,019.61
320	TEXAS WORKFORCE COMMISSION	\$5,721,964.48	\$554,458.27	\$6,276,422.75
323	TEACHER RETIREMENT SYSTEM OF TEXAS	\$191,001.21	\$81.25	\$191,082.46
325	FIRE FIGHTERS' PENSION COMMISSION	\$1,323.02	\$4,244.80	\$5,567.82
327	EMPLOYEES RETIREMENT SYSTEM	\$107,587.47	\$426.00	\$108,013.47
329	TEXAS REAL ESTATE COMMISSION	\$31,415.57	\$37.50	\$31,453.07
332	TX DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS	\$138,714.08	\$133,310.38	\$272,024.46
333	TEXAS OFFICE OF STATE-FEDERAL RELATIONS	\$350.44	\$693.75	\$1,044.19
337	BOARD OF TAX PROFESSIONAL EXAMINERS	\$138.66	\$1,245.44	\$1,384.10
338	STATE PENSION REVIEW BOARD	\$1,352.74	\$2,100.75	\$3,453.49
347	TEXAS PUBLIC FINANCE AUTHORITY	\$2,863.82	\$4,038.25	\$6,902.07
352	TEXAS BOND REVIEW BOARD	\$2,650.43	\$2,584.25	\$5,234.68
356	TEXAS ETHICS COMMISSION	\$6,876.16	\$6,415.00	\$13,291.16
357	OFFICE OF RURAL COMMUNITY AFFAIRS	\$11,218.36	\$103,222.31	\$114,440.67
359	OFFICE OF PUBLIC INSURANCE COUNSEL	\$3,274.93	\$6,340.25	\$9,615.18
360	STATE OFFICE OF ADMINISTRATIVE HEARINGS	\$58,379.01	\$34,156.28	\$92,535.29
362	TEXAS LOTTERY COMMISSION	\$324,837.55	\$250.00	\$325,087.55
363	TEXAS WORKFORCE INVESTMENT COUNCIL	\$273.69	\$6,520.86	\$6,794.55
364	HEALTH PROFESSIONS COUNCIL	\$4,079.76	\$6,009.16	\$10,088.92
370	TEXAS RESIDENTIAL CONSTRUCTION COMMISSION	\$59,343.32	\$31,475.67	\$90,818.99
401	ADJUTANT GENERAL	\$795,459.44	\$0.00	\$795,459.44
403	TEXAS VETERANS COMMISSION	\$4,243.95	\$11,927.93	\$16,171.88
405	DEPARTMENT OF PUBLIC SAFETY	\$2,063,575.97	\$39,019.24	\$2,102,595.21
407	COMMISSION ON LAW ENFORCEMENT OFFICER STANDARDS	\$48,114.42	\$21,901.86	\$70,016.28
409	COMMISSION ON JAIL STANDARDS	\$1,028.23	\$4,378.50	\$5,406.73
411	TEXAS COMMISSION ON FIRE PROTECTION	\$8,078.99	\$10,448.87	\$18,527.86
448	OFFICE INJURED EMPLOYEE COUNSEL	\$5,434.97	\$18.75	\$5,453.72
450	TEXAS DEPT. OF SAVINGS AND MORTGAGE LENDING	\$11,548.35	\$18,696.79	\$30,245.14
451	DEPARTMENT OF BANKING	\$67,690.29	\$29,294.70	\$96,984.99
452	DEPARTMENT OF LICENSING & REGULATION	\$174,760.97	\$88,060.60	\$262,821.57
454	TEXAS DEPARTMENT OF INSURANCE	\$740,123.27	\$384,148.71	\$1,124,271.98
455	RAILROAD COMMISSION OF TEXAS	\$150,997.59	\$152,489.04	\$303,486.63
456	BOARD OF PLUMBING EXAMINERS	\$13,086.17	\$7,286.36	\$20,372.53

AGENCY ID	AGENCY	TEXAN (LONG DISTANCE)	CCTS (CAPITOL COMPLEX TELE. SERVICE)	TOTAL SALES
457	TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY	\$4,442.73	\$20,379.84	\$24,822.57
458	ALCOHOLIC BEVERAGE COMMISSION	\$188,340.39	\$137.50	\$188,477.89
459	TEXAS BOARD OF ARCHITECTURAL EXAM	\$6,287.67	\$10,190.65	\$16,478.32
460	TEXAS BOARD OF PROFESSIONAL ENGINEERS	\$6,536.24	\$17.50	\$6,553.74
464	TEXAS BOARD OF PROFESSIONAL LAND SURVEYING	\$121.09	\$6.25	\$127.34
466	OFFICE OF CONSUMER CREDIT COMMISSION	\$13,657.11	\$19,800.80	\$33,457.91
469	CREDIT UNION DEPARTMENT	\$502.69	\$0.00	\$502.69
473	PUBLIC UTILITIES COMMISSION OF TEXAS	\$89,619.19	\$88,141.78	\$177,760.97
475	OFFICE OF PUBLIC UTILITY COUNSEL	\$3,233.35	\$7,334.66	\$10,568.01
476	TEXAS RACING COMMISSION	\$37,063.47	\$187.75	\$37,251.22
477	COMMISSION ON STATE EMERGENCY COMMUNICATIONS	\$445,789.19	\$13,684.45	\$459,473.64
479	STATE OFFICE OF RISK MANAGEMENT	\$18,311.19	\$59,065.64	\$77,376.83
481	BOARD OF PROFESSIONAL GEOSCIENTISTS	\$2,993.71	\$2,535.50	\$5,529.21
503	TEXAS MEDICAL BOARD	\$19,880.66	\$41,697.22	\$61,577.88
504	BOARD OF DENTAL EXAMINERS	\$6,703.74	\$9,061.07	\$15,764.81
507	TEXAS BOARD OF NURSING	\$8,427.63	\$32,888.45	\$41,316.08
508	BOARD OF CHIROPRACTIC EXAMINERS	\$4,058.35	\$2,978.55	\$7,036.90
512	TEXAS STATE BOARD OF PODIATRIC MEDICAL EXAMINERS	\$3,238.80	\$2,312.00	\$5,550.80
513	TEXAS FUNERAL COMMISSION	\$4,643.17	\$3,981.00	\$8,624.17
514	TEXAS OPTOMETRY BOARD	\$3,323.23	\$3,421.00	\$6,744.23
515	TEXAS STATE BOARD OF PHARMACY	\$7,745.59	\$21,063.68	\$28,809.27
520	TX STATE BOARD OF EXAMINERS OF PSYCHOLOGISTS	\$4,002.39	\$5,350.45	\$9,352.84
529	HEALTH & HUMAN SERVICES COMMISSION	\$23,946,830.68	\$16,726.67	\$23,963,557.35
530	DEPARTMENT OF FAMILY & PROTECT SERVICES	\$2,599,275.10	\$1,171.84	\$2,600,446.94
533	EXEC. COUNCIL OF PHSYCAL & OCCUPATIONAL THERAPY	\$5,738.78	\$8,986.10	\$14,724.88
537	DEPARTMENT OF STATE HEALTH SERVICES	\$2,222,511.74	\$312.50	\$2,222,824.24
538	DEPARTMENT OF ASSISTIVE & REHABILITATIVE SERVICES	\$1,214,733.06	\$13,087.40	\$1,227,820.46
542	CANCER PREVENTION/RESEARCH INS	\$4,357.95	\$32,156.82	\$36,514.77
551	DEPARTMENT OF AGRICULTURE	\$167,573.23	\$156,523.85	\$324,097.08
554	TEXAS ANIMAL HEALTH COMMISSION	\$73,489.85	\$60.00	\$73,549.85
576	TEXAS FOREST SERVICE	\$866.45	\$0.00	\$866.45
578	BOARD OF VETERINARY MEDICAL EXAMINERS	\$6,933.76	\$5,994.72	\$12,928.48
579	RIO GRANDE COMPACT COMMISSION	\$700.04	\$0.00	\$700.04
580	TEXAS WATER DEVELOPMENT BOARD	\$15,479.03	\$109,509.12	\$124,988.15

AGENCY ID	AGENCY	TEXAN (LONG DISTANCE)	CCTS (CAPITOL COMPLEX TELE. SERVICE)	TOTAL SALES
582	TEXAS COMMISSION ON ENVIRONMENTAL QUALITY	\$698,712.25	\$4,873.23	\$703,585.48
592	SOIL AND WATER CONSERVATION BOARD	\$18,956.97	\$0.00	\$18,956.97
601	TEXAS DEPT OF TRANSPORTATION	\$6,744,400.52	\$105,520.57	\$6,849,921.09
665	TEXAS JUVENILE PROBATION COMMISSION	\$527.95	\$0.00	\$527.95
694	TEXAS YOUTH COMMISSION	\$873,088.46	\$0.00	\$873,088.46
696	TEXAS DEPARTMENT OF CRIMINAL JUSTICE	\$2,940,449.48	\$52,076.20	\$2,992,525.68
697	TDCJ PARDONS AND PAROLES	\$177,761.31	\$216.00	\$177,977.31
701	TEXAS EDUCATION AGENCY	\$173,901.22	\$383,460.93	\$557,362.15
711	TEXAS A&M UNIVERSITY	\$498,851.11	\$354.00	\$499,205.11
717	TEXAS SOUTHERN UNIVERSITY	\$22,114.43	\$390.00	\$22,504.43
719	TEXAS STATE TECHNICAL COLLEGE	\$38,897.47	\$0.00	\$38,897.47
739	TEXAS TECH. UNIVERSITY HEALTH SCIENCE	\$744.39	\$0.00	\$744.39
743	UNIVERSITY OF TEXAS - SAN ANTONIO	\$52,555.66	\$1,408.83	\$53,964.49
752	UNIVERSITY OF NORTH TEXAS	\$75,248.05	\$1,388.60	\$76,636.65
754	TEXAS STATE UNIVERSITY	\$6,496.78	\$0.00	\$6,496.78
755	STEPHEN F. AUSTIN ST UNIVERSITY	\$3,727.53	\$390.00	\$4,117.53
760	TEXAS A&M CORPUS CHRISTI	\$24,750.55	\$0.00	\$24,750.55
771	SCHOOL FOR BLIND & VISUAL IMPAIRED	\$30,348.69	\$0.00	\$30,348.69
772	SCHOOL FOR THE DEAF	\$51,408.10	\$10.00	\$51,418.10
781	TX HIGHER ED COORDINATING BD.	\$123,170.14	\$62.50	\$123,232.64
802	TEXAS PARKS & WILDLIFE DEPARTMENT	\$1,100,080.97	\$3,930.28	\$1,104,011.25
808	TEXAS HISTORICAL COMMISSION	\$35,939.03	\$77,167.75	\$113,106.78
809	STATE PRESERVATION BOARD	\$2,787.34	\$56,989.00	\$59,776.34
813	TEXAS COMMISSION ON THE ARTS	\$8,613.73	\$8,746.75	\$17,360.48
851	TX COOP. INSPECTION PROGRAM	\$21,668.26	\$0.00	\$21,668.26
930	TX TREASURY SAFEKEEPING TRUST	\$8,367.16	\$23,631.72	\$31,998.88
		<b>\$63,722,788.58</b>	<b>\$5,886,310.12</b>	<b>\$69,609,098.70</b>

# Appendix E

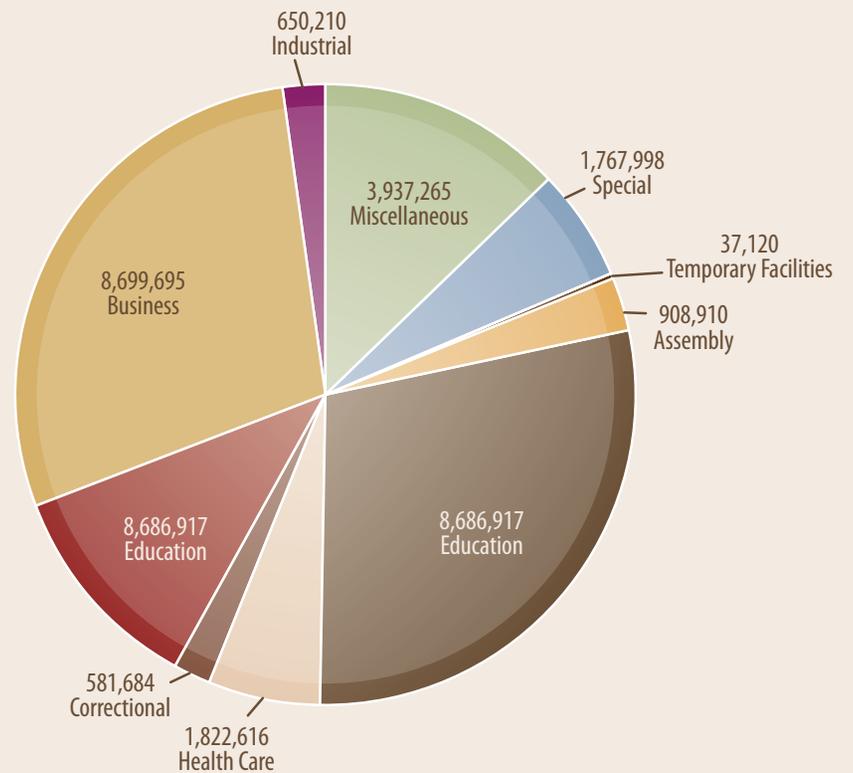
Since 1965, statutory reporting requirements have contained directives for TFC and its predecessor agencies to gather building and construction cost information from state agencies and to summarize its findings in a biennial report to state leadership. State agencies are required to respond to the Commission's request for building and construction information.

The Commission's September 2009 request for information included detailed directions for state entities to report on buildings completed after September 1, 1979. Information was requested regarding building use, construction type (materials), square footage, building condition, construction and total project cost, and construction delivery method. TFC received responses from 44 state agencies. The following chart illustrates the square footage breakdown by building use.

### Cost Experience

Of the 44 agencies, information received from 35 agencies was determined adequate to derive general conclusions for this report. Further, the selected building projects that make up TFC's field for analyses were limited to two major use types: educational and business. Within these uses, staff compared historical costs for instructional (educational), office, and warehouse (business) space.

Statewide Building and Construction Information  
Building Type and Total Square Footage

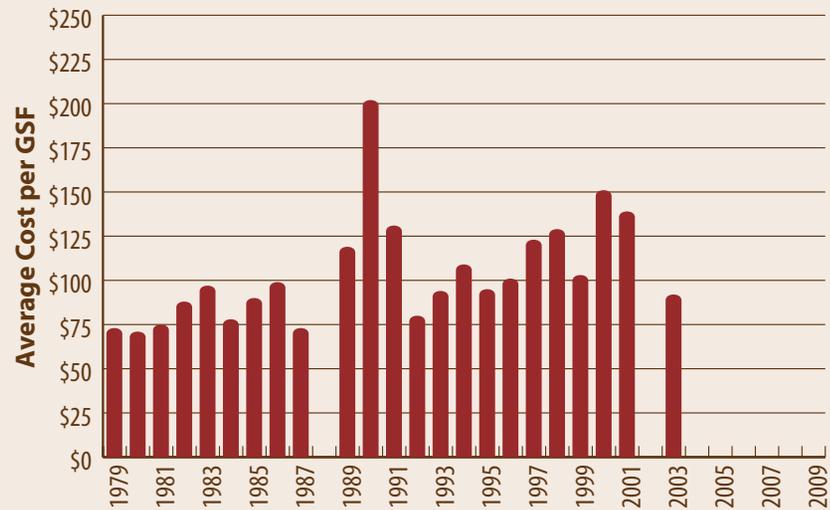


## Construction Delivery Methods

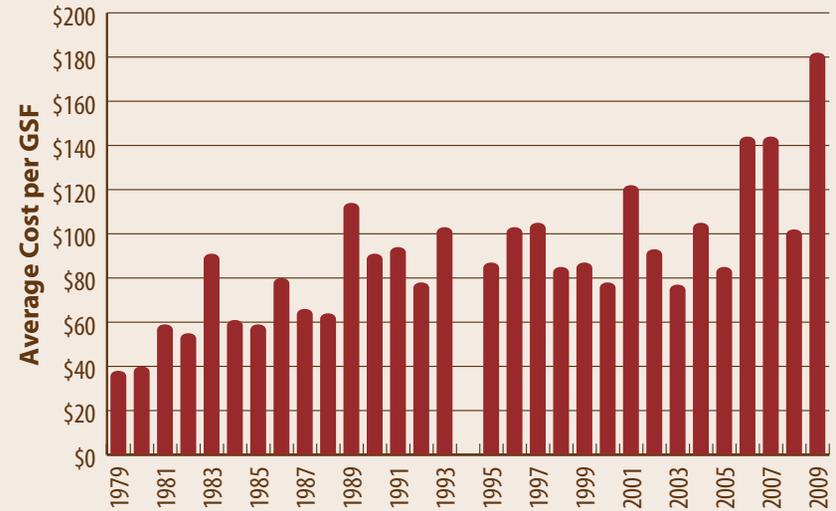
Agencies were requested to identify the construction delivery method for each facility reported in their response. Projects constructed by contractors selected through competitive sealed proposals made up 99% of the projects selected for analysis.

The majority of agencies' responses contained total project cost data, instead of the requested construction and total project expense information. Expenditure values presented in the following charts depict all costs associated with the selected projects and are representative of the information transmitted to TFC.

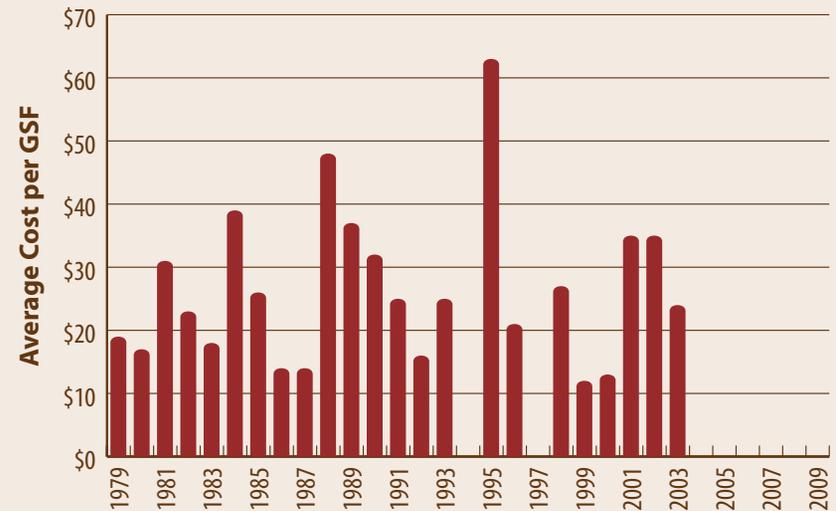
### Historical Project Cost for Instructional Space 1979-2009



### Historical Project Cost for Instructional Space 1979-2009



### Historical Project Cost for Instructional Space 1979-2009



## State Agencies Occupying State-Owned and Leased Space in Travis County

# Appendix F

Agency I.D.	Agency Name
101	TEXAS SENATE
102	TEXAS HOUSE OF REPRESENTATIVES
103	LEGISLATIVE COUNCIL
104	LEGISLATIVE BUDGET BOARD
105	LEGISLATIVE REFERENCE LIBRARY
116	SUNSET ADVISORY COMMISSION
201	SUPREME COURT OF TEXAS
203	BOARD OF LAW EXAMINERS
211	COURT OF CRIMINAL APPEALS
212	OFFICE OF COURT ADMINISTRATION
213	OFFICE OF STATE PROSECUTING ATTORNEY
223	THIRD DISTRICT COURT OF APPEALS
242	STATE COMMISSION ON JUDICIAL CONDUCT
243	STATE LAW LIBRARY
301	OFFICE OF THE GOVERNOR
302	OFFICE OF THE ATTORNEY GENERAL
303	TEXAS FACILITIES COMMISSION
304	COMPTROLLER OF PUBLIC ACCOUNTS
305	GENERAL LAND OFFICE
306	TEXAS STATE LIBRARY & ARCHIVES COMMISSION
307	TEXAS SECRETARY OF STATE
308	TEXAS STATE AUDITOR'S OFFICE
312	TEXAS STATE SECURITIES BOARD
313	DEPARTMENT OF INFORMATION RESOURCES

Agency I.D.	Agency Name
325	OFFICE OF THE FIRE FIGHTERS' PENSION COMMISSIONER
329	TEXAS REAL ESTATE COMMISSION
332	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
333	TEXAS OFFICE OF STATE-FEDERAL RELATIONS
337	BOARD OF TAX PROFESSIONAL EXAMINERS
338	TEXAS PENSION REVIEW BOARD
347	TEXAS PUBLIC FINANCE AUTHORITY
352	TEXAS BOND REVIEW BOARD
356	TEXAS ETHICS COMMISSION
357	TEXAS DEPARTMENT OF RURAL AFFAIRS
359	OFFICE OF PUBLIC INSURANCE COUNSEL
360	STATE OFFICE OF ADMINISTRATIVE HEARINGS
364	HEALTH PROFESSIONS COUNCIL
370	TEXAS RESIDENTIAL CONSTRUCTION COMMISSION
403	TEXAS VETERANS COMMISSION
405	TEXAS DEPARTMENT OF PUBLIC SAFETY
407	TEXAS COMMISSION ON LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION
409	TEXAS COMMISSION ON JAIL STANDARDS
411	TEXAS COMMISSION ON FIRE PROTECTION
450	TEXAS DEPARTMENT OF SAVINGS AND MORTGAGE LENDING
451	TEXAS DEPARTMENT OF BANKING
452	TEXAS DEPARTMENT OF LICENSING AND REGULATION
454	TEXAS DEPARTMENT OF INSURANCE
455	RAILROAD COMMISSION OF TEXAS

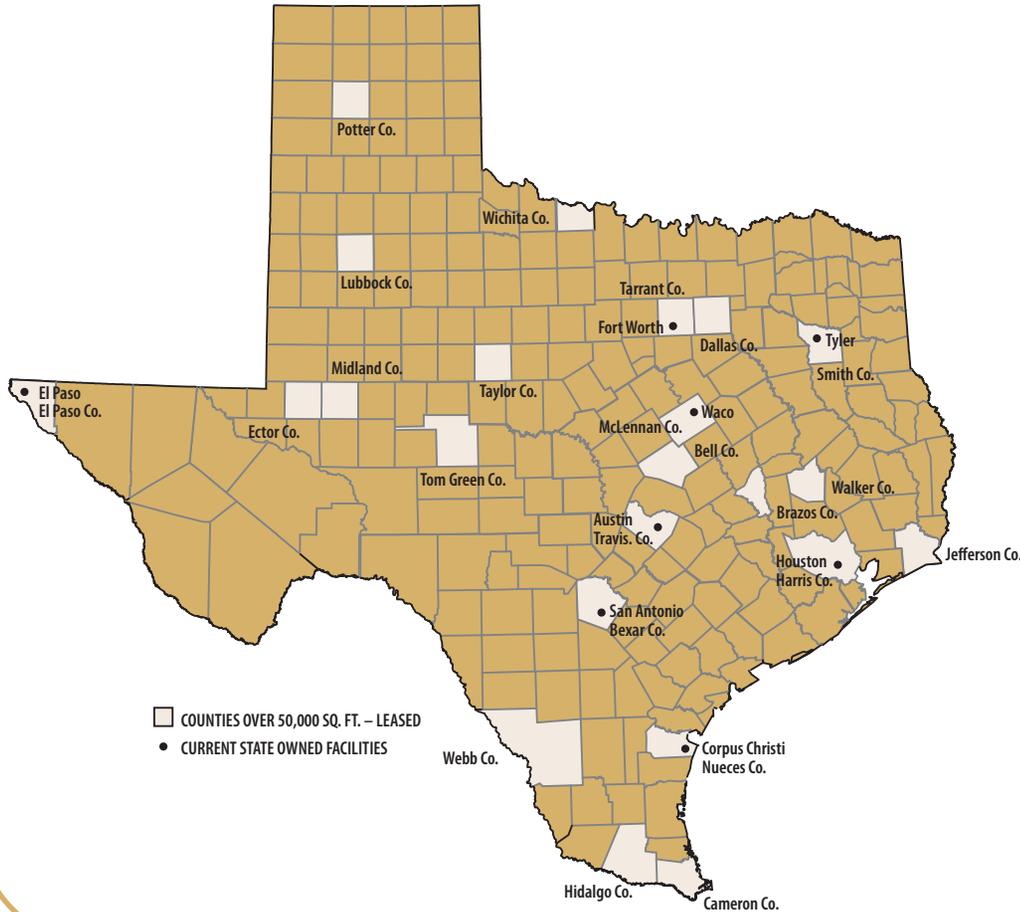
Agency I.D.	Agency Name
456	TEXAS STATE BOARD OF PLUMBING EXAMINERS
457	TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
458	TEXAS ALCOHOLIC BEVERAGE COMMISSION
459	TEXAS BOARD OF ARCHITECTURAL EXAMINERS
464	TEXAS BOARD OF LAND SURVEYING
466	OFFICE OF CONSUMER CREDIT COMMISSIONER
469	CREDIT UNION DEPARTMENT
473	PUBLIC UTILITY COMMISSION OF TEXAS
475	OFFICE OF PUBLIC UTILITY COUNSEL
476	TEXAS RACING COMMISSION
477	COMMISSION ON STATE EMERGENCY COMMUNICATIONS
479	STATE OFFICE OF RISK MANAGEMENT
481	TEXAS BOARD OF PROFESSIONAL GEOSCIENTISTS
503	TEXAS MEDICAL BOARD
504	TEXAS STATE BOARD OF DENTAL EXAMINERS
507	TEXAS BOARD OF NURSING
508	TEXAS BOARD OF CHIROPRACTIC EXAMINERS
512	TEXAS STATE BOARD OF PODIATRIC MEDICAL EXAMINERS
513	TEXAS FUNERAL SERVICE COMMISSION
514	TEXAS OPTOMETRY BOARD
515	TEXAS STATE BOARD OF PHARMACY
520	BOARD OF EXAMINERS OF PSYCHOLOGISTS
527	CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS
529	TEXAS HEALTH AND HUMAN SERVICES COMMISSION
530	TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

Agency I.D.	Agency Name
533	EXECUTIVE COUNCIL OF PHYSICAL THERAPY AND OCCUPATIONAL THERAPY
537	TEXAS DEPARTMENT OF STATE HEALTH SERVICES
538	TEXAS DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES
539	TEXAS DEPARTMENT OF AGING AND DISABILITY SERVICES
551	TEXAS DEPARTMENT OF AGRICULTURE
554	TEXAS ANIMAL HEALTH COMMISSION
578	TEXAS STATE BOARD OF VETERINARY MEDICAL EXAMINERS
580	TEXAS WATER DEVELOPMENT BOARD
582	TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
601	TEXAS DEPARTMENT OF TRANSPORTATION
665	TEXAS JUVENILE PROBATION COMMISSION
694	TEXAS YOUTH COMMISSION
696	TEXAS DEPARTMENT OF CRIMINAL JUSTICE
701	TEXAS EDUCATION AGENCY
717	TEXAS SOUTHERN UNIVERSITY
743	OFFICE OF THE STATE DEMOGRAPHER
752	UNIVERSITY OF NORTH TEXAS
755	STEPHEN F AUSTIN STATE UNIVERSITY
758	THE TEXAS STATE UNIVERSITY SYSTEM
781	TEXAS HIGHER EDUCATION COORDINATING BOARD
802	TEXAS PARKS AND WILDLIFE DEPARTMENT
808	TEXAS HISTORICAL COMMISSION
809	STATE PRESERVATION BOARD
813	TEXAS COMMISSION ON THE ARTS

\*The Texas Residential Construction Commission was abolished on September 1, 2010.

# Appendix G

## TEXAS FACILITIES COMMISSION STATEWIDE OFFICE FACILITIES



This section of the report contains county and city profiles depicting current and projected space needs, related costs, and an abstract of real estate market conditions. Also included is a historical reference for each city made up of charts illustrating the number of FTEs, total leased office space square footage, state versus market rent rates compared on a full-service lease basis, and lease costs per year. The selected cities are where state agencies occupied a minimum of 50,000 square feet of office space at the close FY2009.

The map details counties with 50,000 square feet or more of state agency office space. Also depicted are the locations of current state-owned office buildings. A glossary of the terms contained in the city profiles and strategies is included. The following definitions are applicable to terms used in each county/city profile sheet in this section.

## GLOSSARY OF TERMS

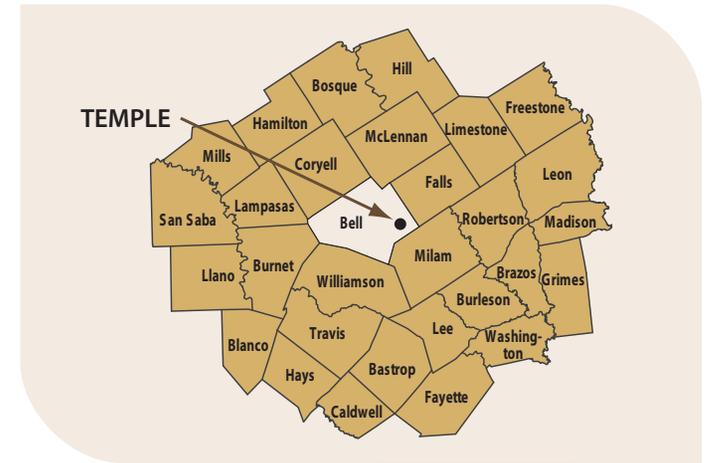
Administrative Office Space	Office space that is predominantly administrative program in function, not direct delivery of client service.
Average Lease Cost per Square Foot	Average Total Lease Cost (see definition below) spent on leased facilities. Calculated as costs per square foot per year.
Expiring Leases	Percent of leases that will expire or require renewed options by the year 2013.
FTEs	Full-time equivalent employees as defined by the State Auditor's Office.
TFC Average Rent	Average cost in dollars per square foot per year spent for office space by agencies; calculated as Total Lease Costs divided by Total Office Space Leased.
TFC Office Market Share	Percent of TFC office space leased compared to the total office inventory for the city.
TFC Space Needs	Total square footage of office space leased and owned.
Market Average Rent	Estimated average rent in dollars per square foot per year for full-service leases (utilities, maintenance, custodial services included) of commercial office space in the city.
Most Available Lease Size	An estimate of the lease size, in square feet, which can be readily satisfied in the city.
Percent Change	Rate of change (%) between the referenced dates.
% State Leases Collocated	Percent of the total number of leases that have more than one agency utilizing the same lease contract at the same location.
Sq. Ft.	Square feet.
State Employees	Total number of FTEs requiring office space.
State Agencies	Total number of agencies included in the lease records.
State Leases	Total number of lease contracts for office space reported in the lease records.
Total Lease Cost	Sum of the August 2009 monthly costs of office space analyzed for all leases included in the lease record plus expenses as reported by the agency.
Total Office Space	Total square footage of office space owned by TFC.
Total Office Space Leased	Total square footage of office space under leases included in the lease records.
Vacancy Rate	Proportion of the total inventory of commercial office space currently available for lease.





## Bell County

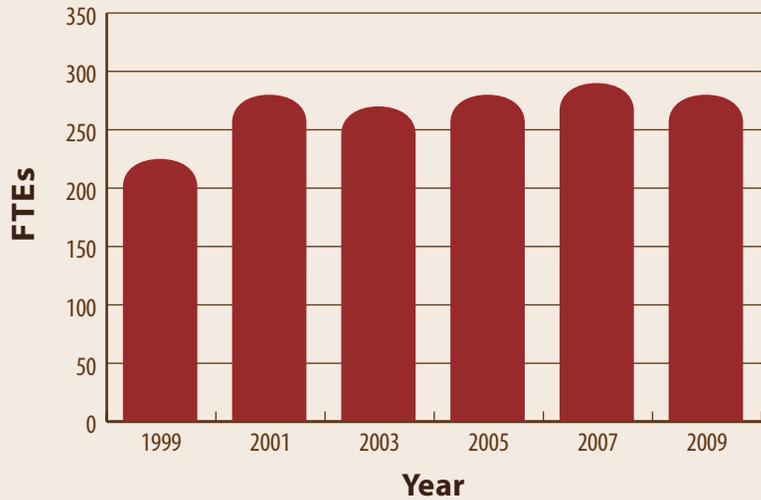
**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Soil and Water Conservation Board, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



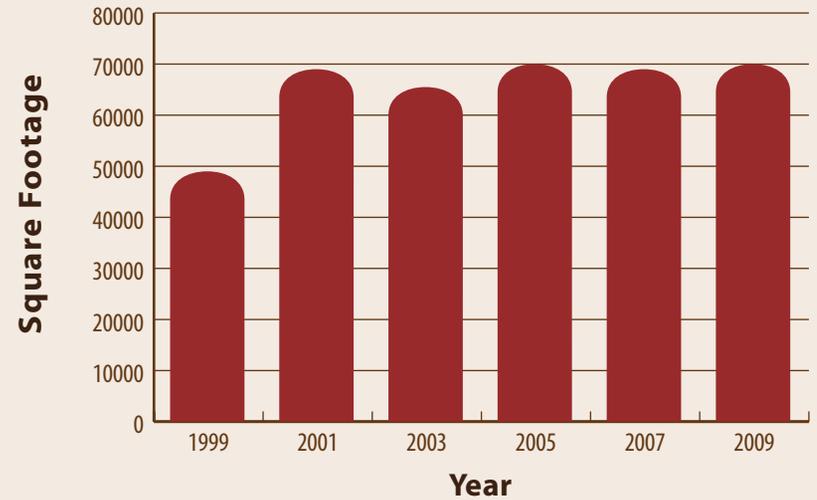
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	523	546	4.4%
Number of State Agencies	9	9	
Number of State Leases	13	13	
TFC Space Needs (sf)	116,347	123,423	6%
Total Office Space Owned	0	0	
Total Office Space Leased	116,347	123,423	
Total Lease Costs	\$1,632,388	\$2,067,335	27%
Average Lease Cost Per Sq.. Ft..	\$14.03	\$16.75	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	285	298	5%
Number of State Leases	8	8	
Percent of State Leases Colocated	13%		
TFC Space Needs (sf)	69,377	68,863	-1%
Total Office Space Owned	0	0	
Total Office Space Leased	69,377	68,863	-1%
Total Lease Cost	\$920,179	\$1,090,790	19%
Expiring Leases through FY 2015		88%	
Administrative Office Space:			
Number of Leases / Agencies	7/6	7/6	
Total Office Space Leased	46,901	53,243	
TFC's Average Rent	\$13.26	\$15.84	
Market Rent - Spring 2010	\$15.00		
TFC's Office Market Share	14%		
Vacancy Rate	15%		
Typical Lease Size Available	1,500		
Buildings for Sale > 50,000 sq.. ft..	0		

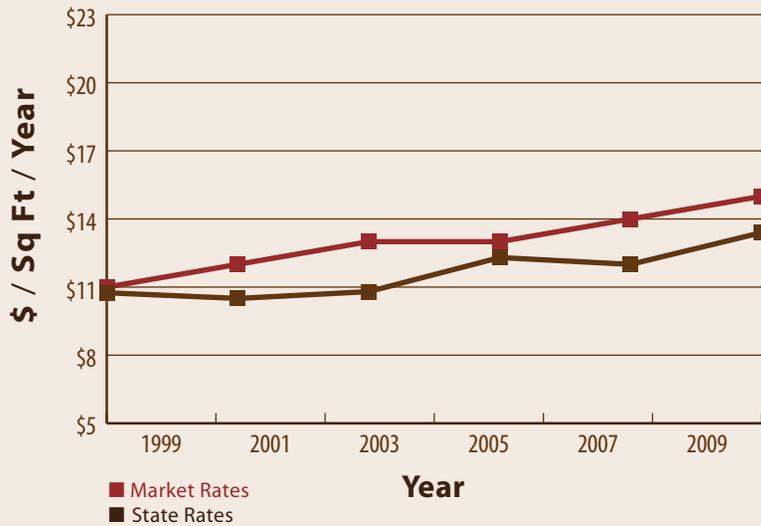
### Total FTEs



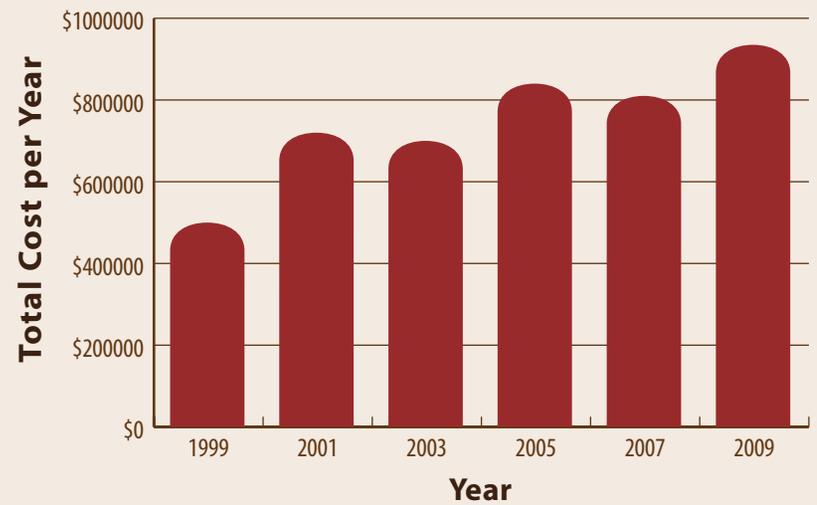
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





## Bexar County

**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, State Securities Board, Texas Department of Housing and Community Affairs, State Office of Administrative Hearings, Texas Lottery Commission, Texas Commission on Fire Protection, Texas Department of Banking, Texas Department of Licensing and Regulation, Texas Department of Insurance, Railroad Commission,

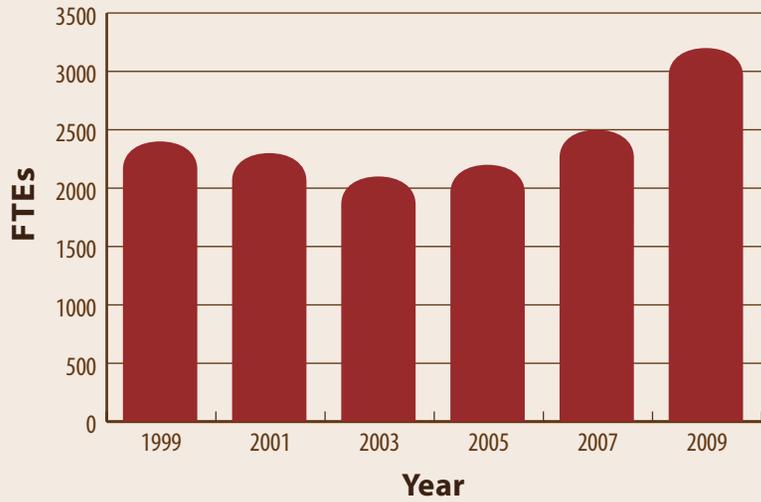
Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Agriculture, Texas Water Development Board, Texas Commission on Environmental Quality, Texas Department of Transportation, Texas Youth Commission, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



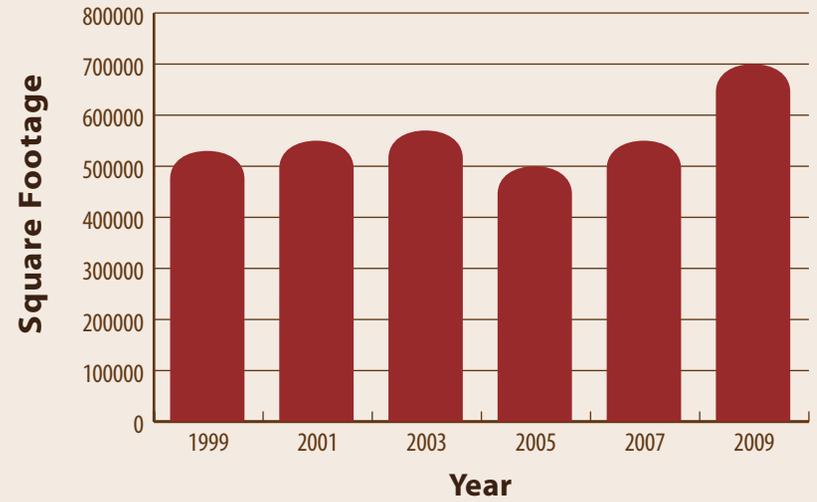
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	3,557	3,624	2%
Number of State Agencies	24	24	
Number of State Leases	46	45	
TFC Space Needs (sf)	775,714	786,129	1%
Total Office Space Owned	71,345	71,345	
Total Office Space Leased	704,369	714,784	
Total Lease Costs	\$10,639,825	\$12,894,703	21%
Average Lease Cost Per Sq. Ft..	\$15.11	\$18.04	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	3,550	3,616	2%
Number of State Leases	45	44	
Percent of State Leases Colocated	11%		
TFC Space Needs (sf)	772,616	784,369	2%
Total Office Space Owned	71,345	71,345	
Total Office Space Leased	701,271	713,024	2%
Total Lease Cost	\$10,600,175	\$12,870,083	21%
Expiring Leases through FY 2015		80%	
Administrative Office Space:			
Number of Leases / Agencies	40/17	39/17	
Total Office Space Leased	519,179	560,344	
TFC's Average Rent	\$15.12	\$18.05	
Market Rent - Spring 2010	\$19.00		
TFC's Office Market Share	3%		
Vacancy Rate	16%		
Typical Lease Size Available	4,000		
Buildings for Sale > 50,000 Sq. Ft..	15		

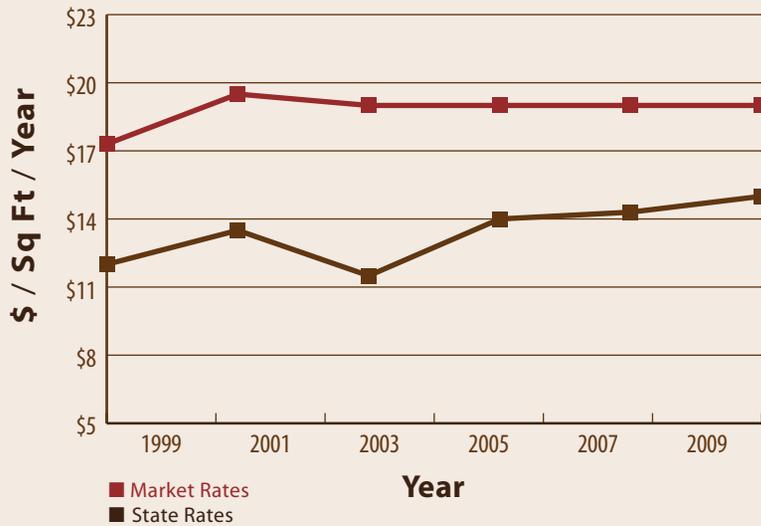
### Total FTEs



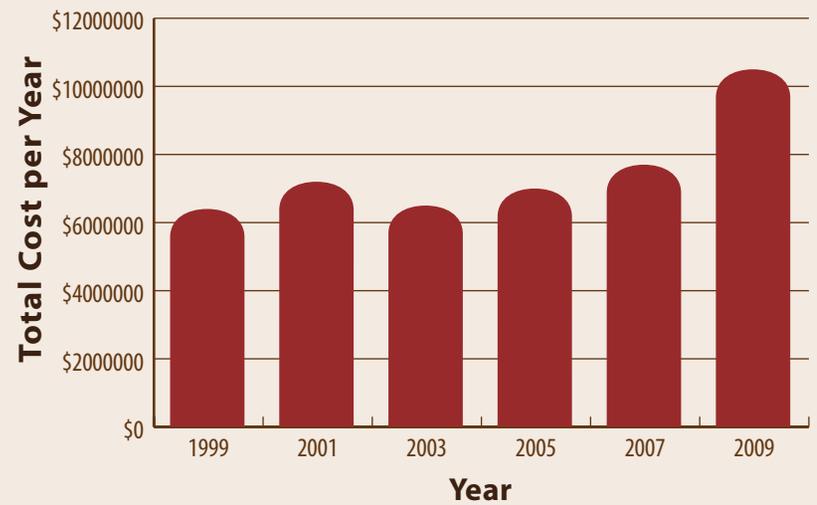
### Total Leased Office Space



### State vs Market Rent Rates



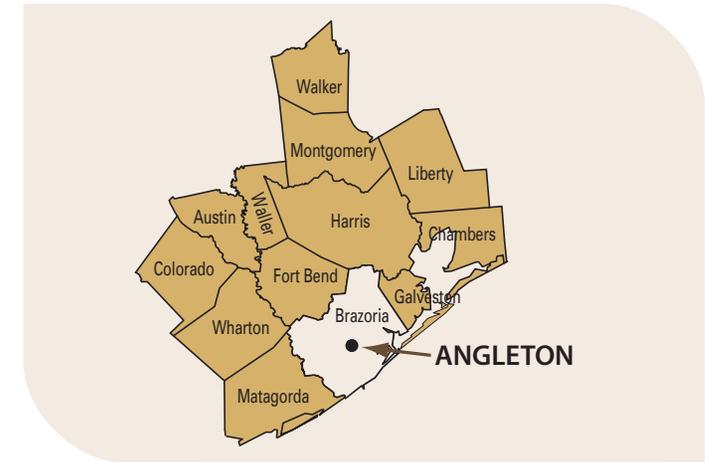
### Lease Cost per Year





## Brazoria County

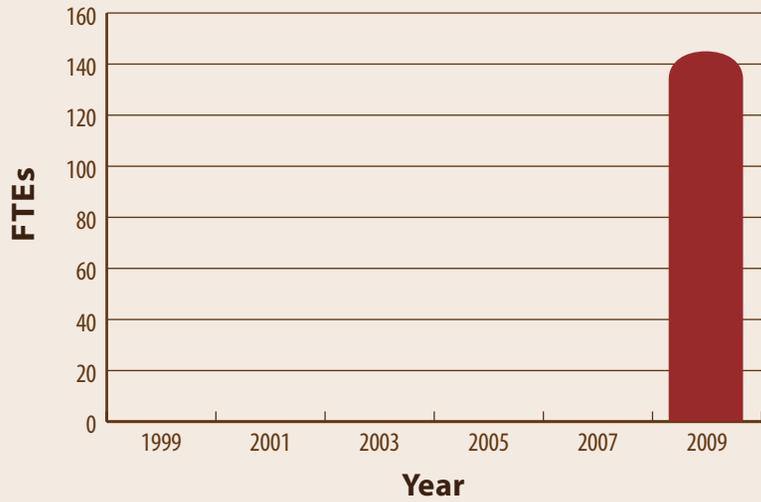
**OCCUPYING STATE AGENCIES:** Texas Department of Insurance, Health and Human Services Commission, Department of Family and Protective Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, and Texas Department of Criminal Justice.



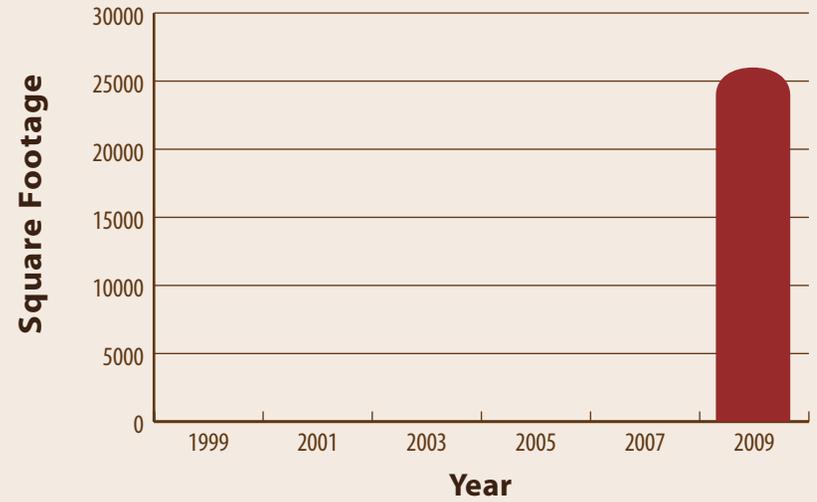
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	285	293	3%
Number of State Agencies	6	6	
Number of State Leases	8	8	
TFC Space Needs (sf)	57,067	64,460	13%
Total Office Space Owned	0	0	
Total Office Space Leased	57,067	64,460	
Total Lease Costs	\$883,732	\$1,191,865	35%
Average Lease Cost Per Sq. Ft..	\$15.49	\$18.49	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	143	146	2%
Number of State Leases	3	3	
Percent of State Leases Colocated	0%		
TFC Space Needs (sf)	26,295	32,120	22%
Total Office Space Owned	0	0	
Total Office Space Leased	26,295	32,120	22%
Total Lease Cost	\$353,183	\$515,205	
Expiring Leases through FY 2015		67%	22%
Administrative Office Space:			46%
Number of Leases / Agencies	2 / 2	2 / 2	
Total Office Space Leased	10,346	16,060	
TFC's Average Rent	\$13.43	\$16.04	
Market Rent - Spring 2010	\$11.00		
TFC's Office Market Share	0%		
Vacancy Rate	10%		
Typical Lease Size Available	3,000		
Buildings for Sale > 50,000 Sq. Ft.	4		

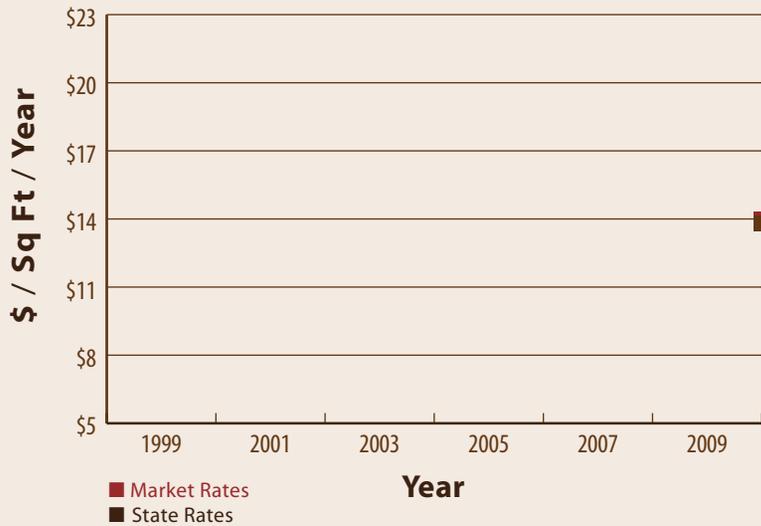
### Total FTEs



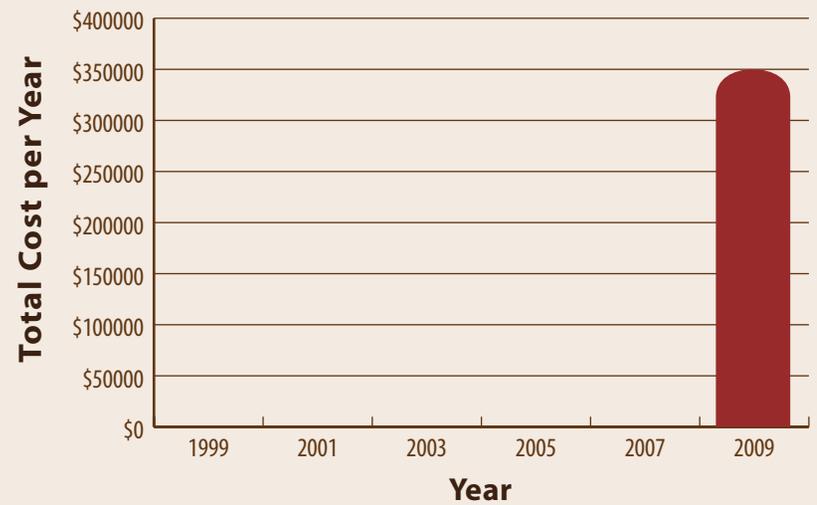
### Total Leased Office Space



### State vs Market Rent Rates



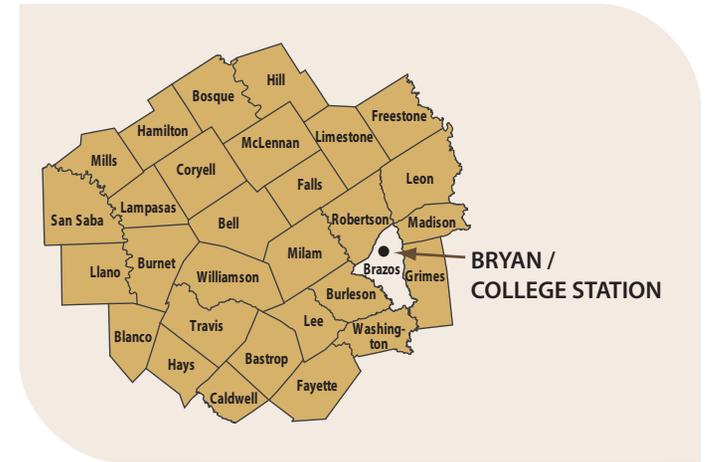
### Lease Cost per Year





## Brazos County

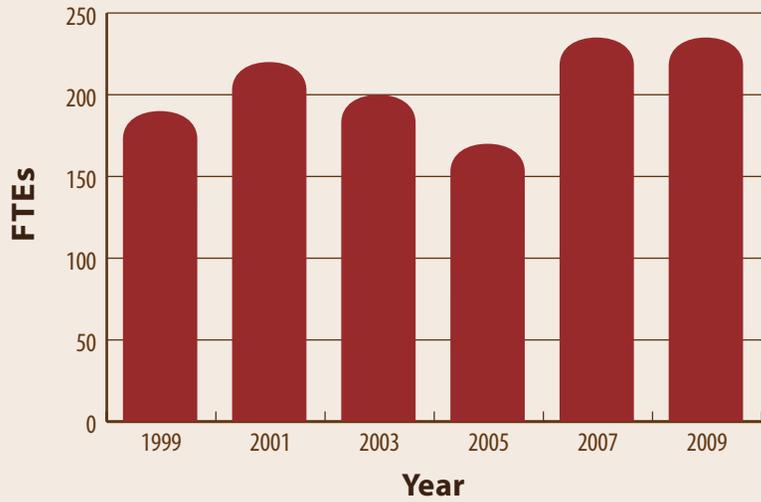
**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, Texas Department of Insurance, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



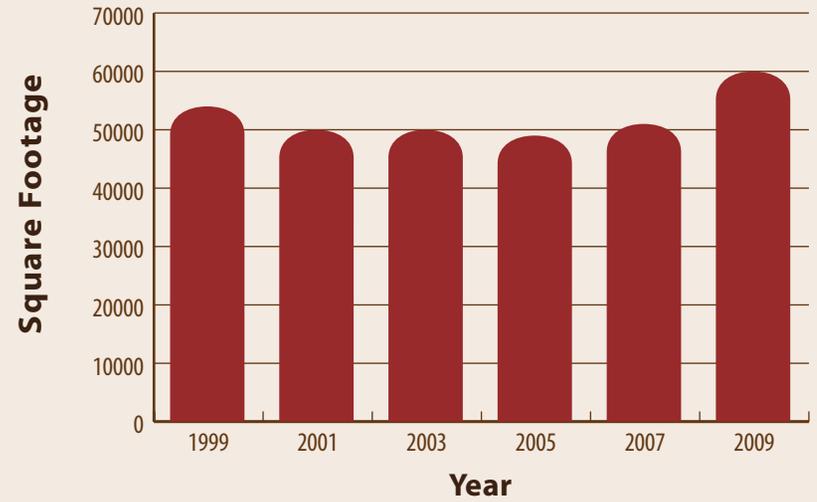
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	220	227	3%
Number of State Agencies	10	10	
Number of State Leases	9	9	
TFC Space Needs (sf)	60,333	49,940	-17%
Total Office Space Owned	0	0	
Total Office Space Leased	60,333	49,940	
Total Lease Costs	\$808,890	\$799,539	-1%
Average Lease Cost Per Sq. Ft..	\$13.41	\$16.01	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	220	227	3%
Number of State Leases	9	9	
Percent of State Leases Colocated	11%		
TFC Space Needs (sf)	60,333	49,940	-17%
Total Office Space Owned	0	0	
Total Office Space Leased	60,333	49,940	-17%
Total Lease Cost	\$808,890	\$799,539	-1%
Expiring Leases through FY 2015		89%	
Administrative Office Space:			
Number of Leases / Agencies	8 / 8	8 / 8	
Total Office Space Leased	33,745	33,000	
TFC's Average Rent	\$13.41	\$16.01	
Market Rent - Spring 2010	\$17.00		
TFC's Office Market Share	4%		
Vacancy Rate	15%		
Typical Lease Size Available	2,000		
Buildings for Sale > 50,000 Sq. Ft.	2		

### Total FTEs



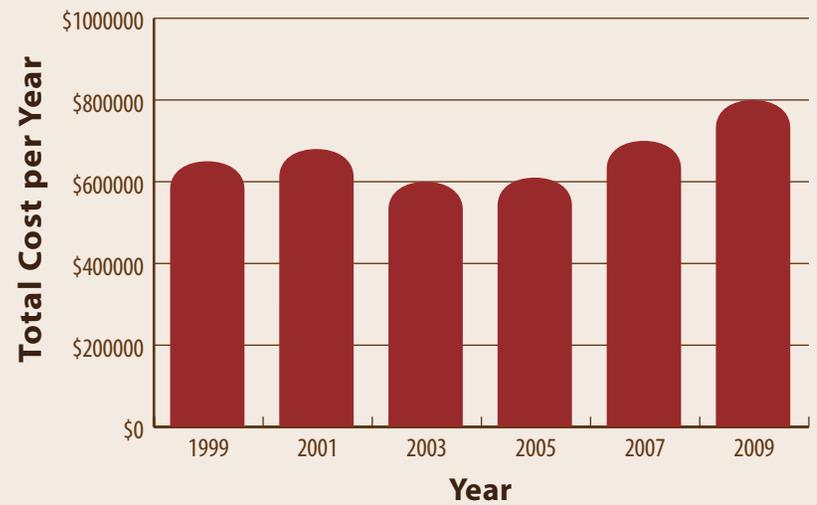
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





## Cameron County

**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Water Development Board, Texas Commission on Environmental Quality, Soil and Water

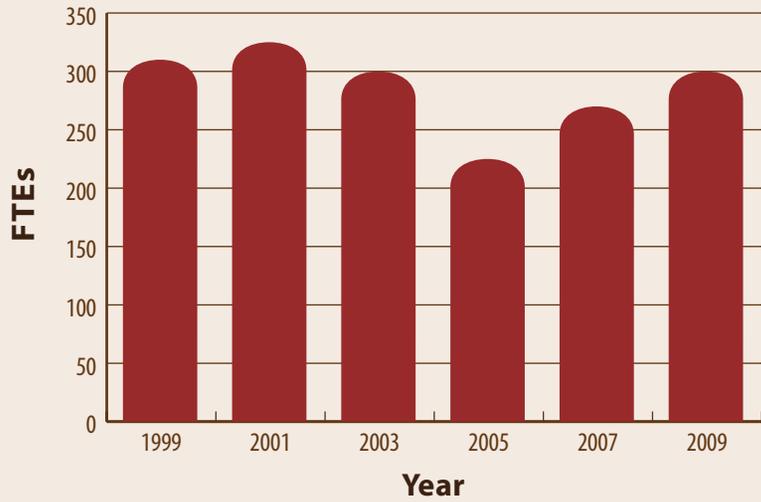
Conservation Board, Texas Youth Commission, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



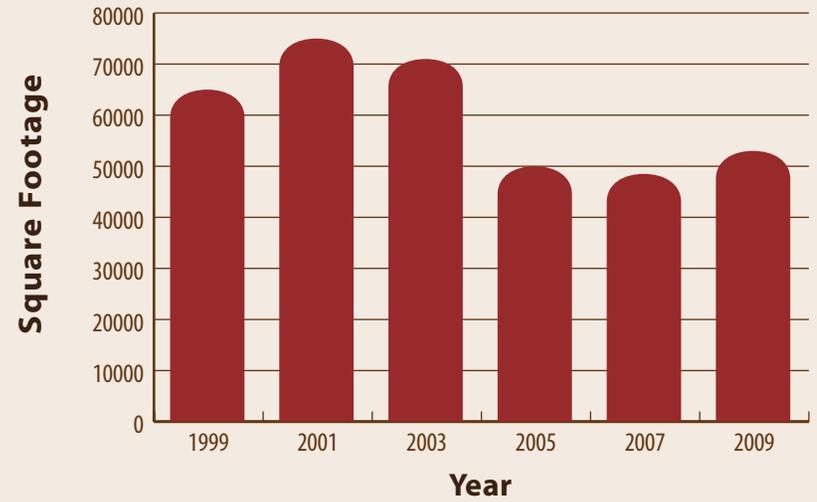
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	827	866	5%
Number of State Agencies	13	13	
Number of State Leases	19	19	
TFC Space Needs (sf)	168,657	193,220	15%
Total Office Space Owned	0	0	
Total Office Space Leased	168,657	193,220	
Total Lease Costs	\$2,325,345	\$3,180,401	37%
Average Lease Cost Per Sq. Ft..	\$13.79	\$16.46	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	292	305	4%
Number of State Leases	6	6	
Percent of State Leases Colocated	17%		
TFC Space Needs (sf)	53,768	67,100	25%
Total Office Space Owned	0	0	
Total Office Space Leased	53,768	67,100	25%
Total Lease Cost	\$886,504	\$1,321,199	49%
Expiring Leases through FY 2015		83%	
Administrative Office Space:			
Number of Leases / Agencies	5/6	5/6	
Total Office Space Leased	31,224	39,380	
TFC's Average Rent	\$16.49	\$19.69	
Market Rent - Spring 2010	\$17.00		
TFC's Office Market Share	10%		
Vacancy Rate	20%		
Typical Lease Size Available	2,000		
Buildings for Sale > 50,000 Sq. Ft.	0		

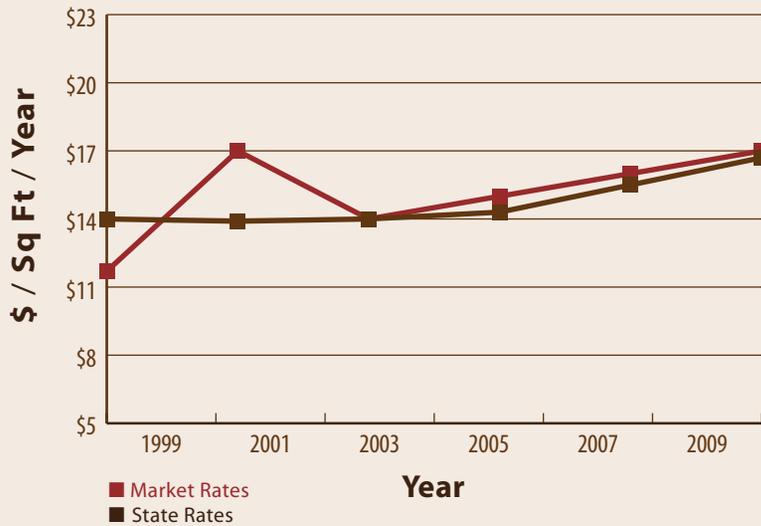
### Total FTEs



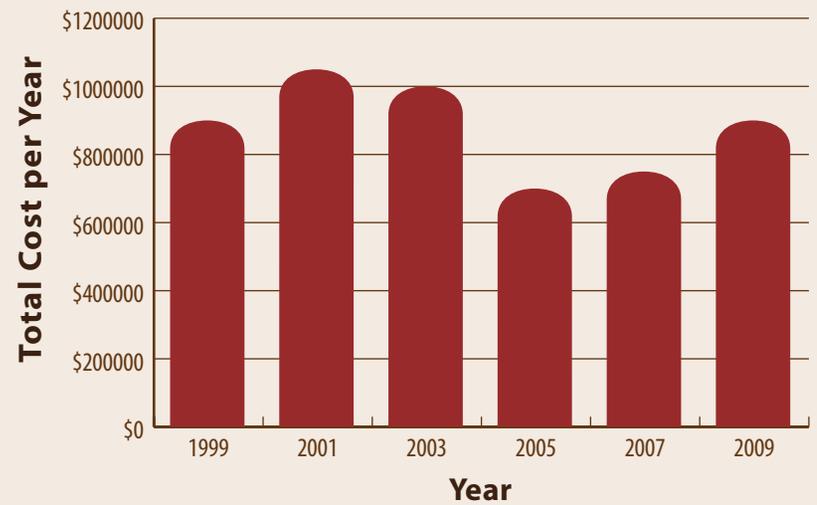
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





## Cameron County

**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Water Development Board, Texas Commission

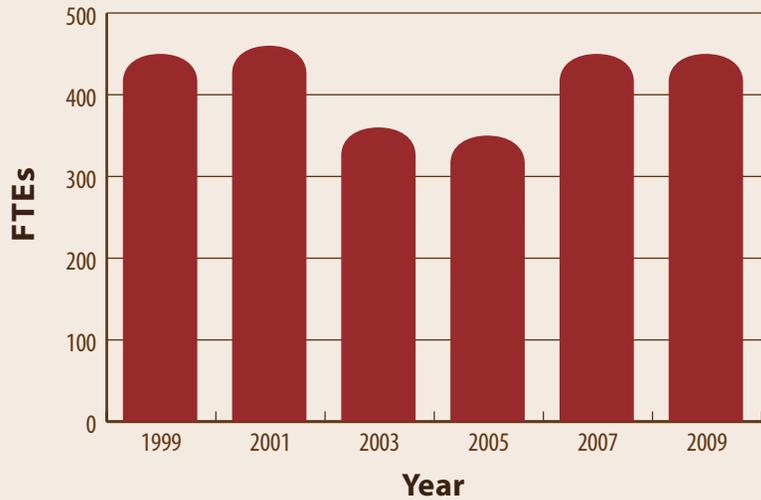
on Environmental Quality, Soil and Water Conservation Board, Texas Youth Commission, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



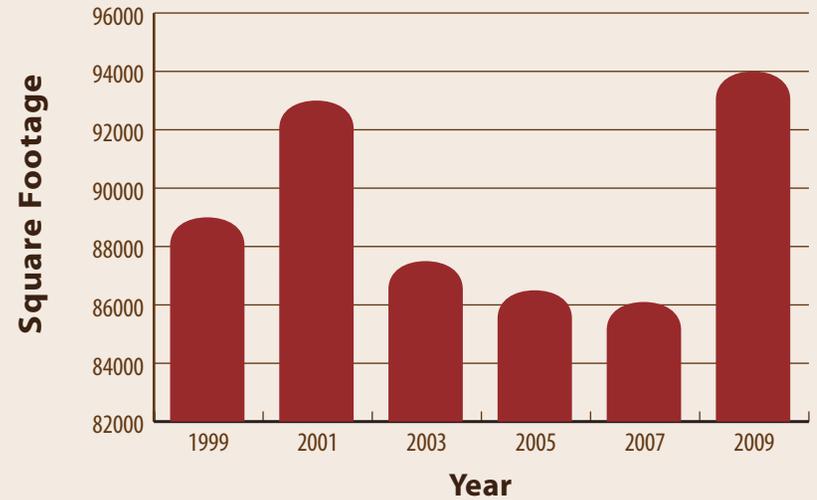
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	827	866	5%
Number of State Agencies	13	13	
Number of State Leases	19	19	
TFC Space Needs (sf)	168,657	193,220	15%
Total Office Space Owned	0	0	
Total Office Space Leased	168,657	193,220	
Total Lease Costs	\$2,325,345	\$3,180,401	37%
Average Lease Cost Per Sq. Ft.	\$13.79	\$16.46	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	453	474	5%
Number of State Leases	11	11	
Percent of State Leases Colocated	36%		
TFC Space Needs (sf)	94,134	106,980	14%
Total Office Space Owned	0	0	
Total Office Space Leased	94,134	106,980	14%
Total Lease Cost	\$1,203,222	\$1,632,515	36%
Expiring Leases through FY 2015		82%	
Administrative Office Space:			
Number of Leases / Agencies	10/8	10/8	
Total Office Space Leased	71,107	85,420	
TFC's Average Rent	\$12.78	\$15.26	
Market Rent - Spring 2010	\$16.00		
TFC's Office Market Share	17%		
Vacancy Rate	15%		
Typical Lease Size Available	2,000		
Buildings for Sale > 50,000 Sq. Ft.	1		

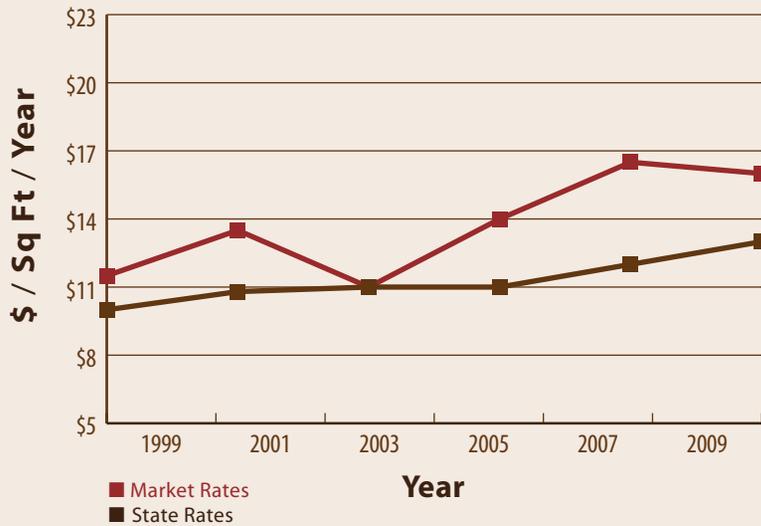
### Total FTEs



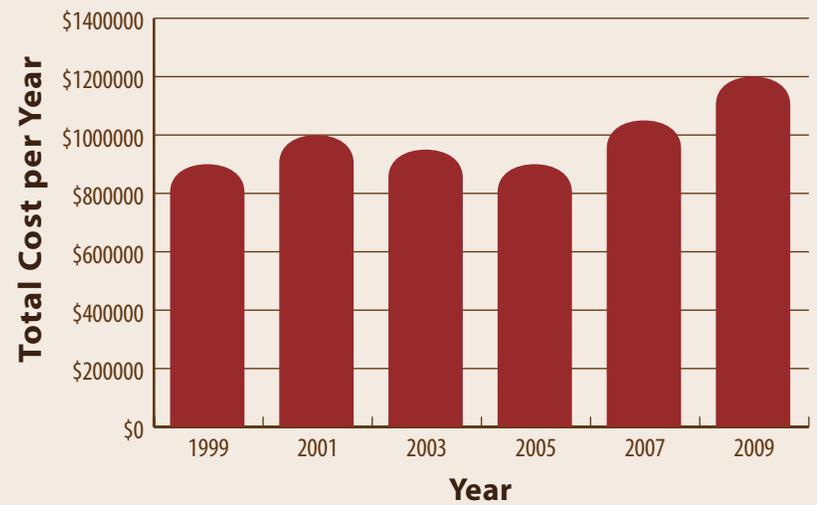
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





## Dallas County

**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, State Securities Board, State Office of Administrative Hearings, Texas Lottery Commission, Texas Department of Insurance, Railroad Commission, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of Assistive and

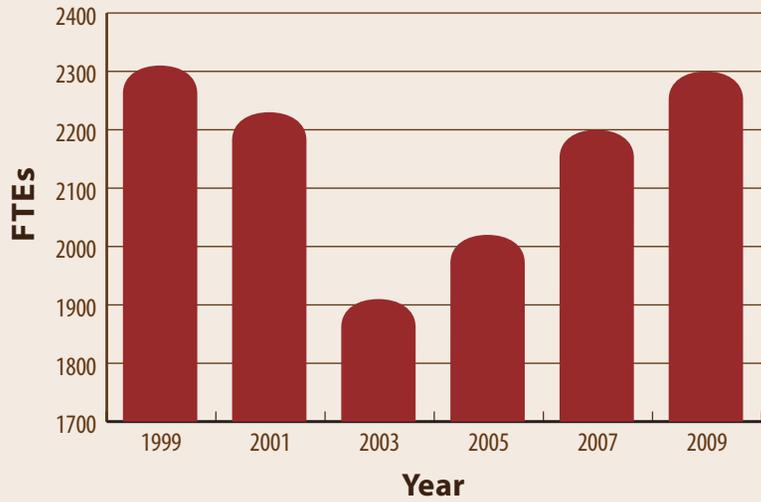
Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Agriculture, Texas Water Development Board, Texas Department of Transportation, Texas Youth Commission, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



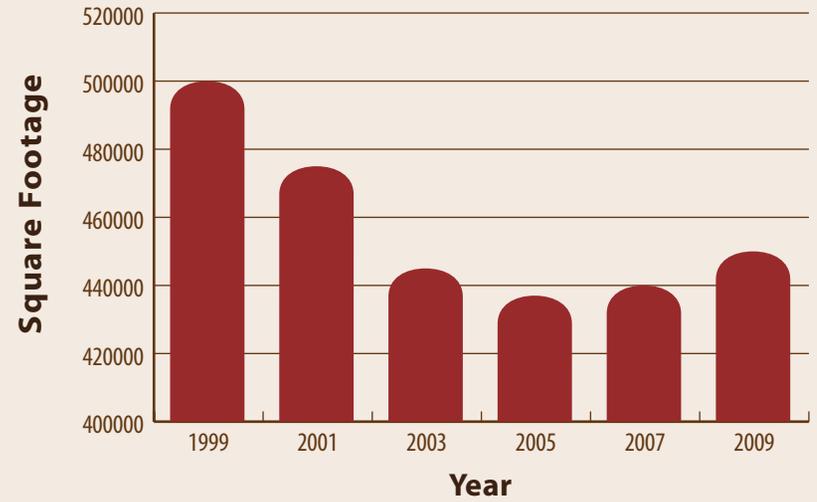
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	3,096	3,178	3%
Number of State Agencies	17	17	
Number of State Leases	50	50	
TFC Space Needs (sf)	612,968	699,160	14%
Total Office Space Owned	0	0	
Total Office Space Leased	612,968	699,160	
Total Lease Costs	\$8,971,729	\$12,221,317	36%
Average Lease Cost Per Sq. Ft.	\$14.64	\$17.48	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	2,312	2,377	3%
Number of State Leases	36	36	
Percent of State Leases Colocated	14%		
TFC Space Needs (sf)	450,577	522,940	16%
Total Office Space Owned	0	0	
Total Office Space Leased	450,577	522,940	16%
Total Lease Cost	\$6,614,971	\$9,167,138	39%
Expiring Leases through FY 2015		94%	
Administrative Office Space:			
Number of Leases / Agencies	26/10	26/10	
Total Office Space Leased	287,418	366,300	
TFC's Average Rent	\$14.68	\$17.53	
Market Rent - Spring 2010	\$18.00		
TFC's Office Market Share	1%		
Vacancy Rate	22%		
Typical Lease Size Available	5,000		
Buildings for Sale > 50,000 Sq. Ft.	30		

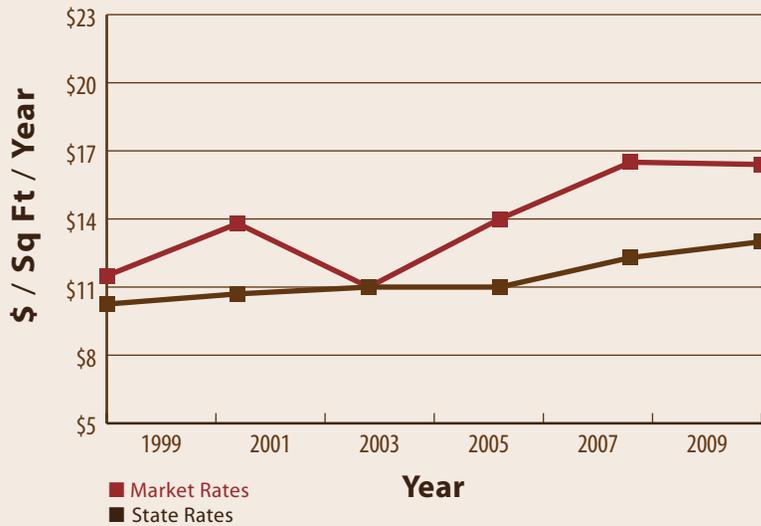
### Total FTEs



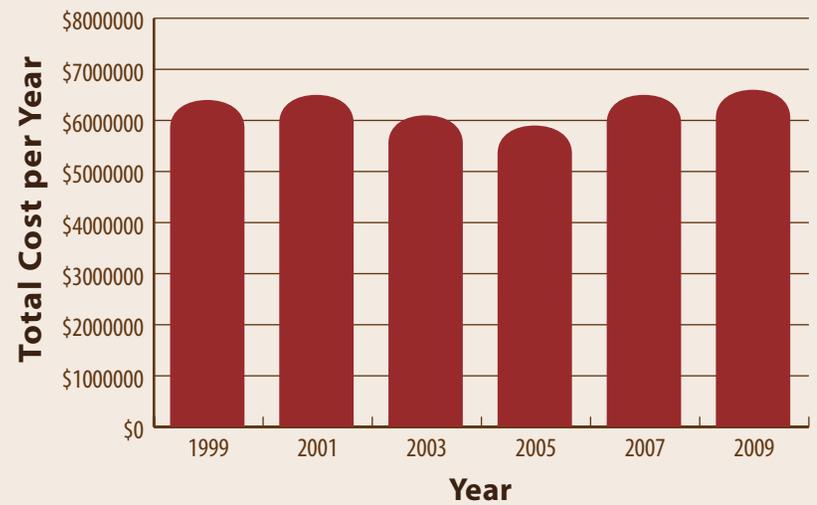
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year

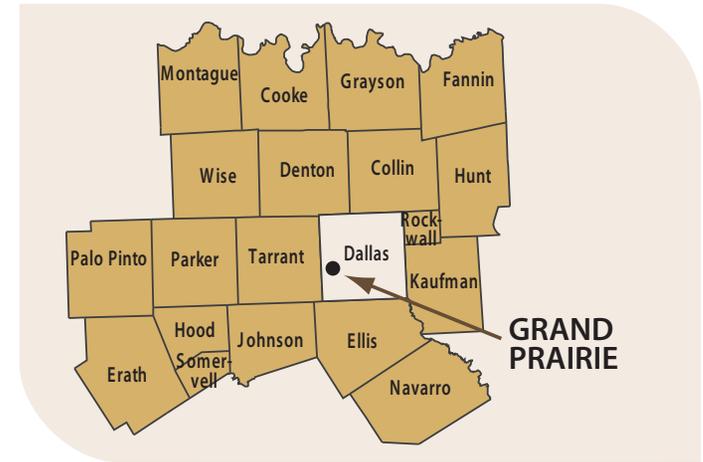




## Dallas County

**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, State Securities Board, State Office of Administrative Hearings, Texas Lottery Commission, Texas Department of Insurance, Railroad Commission, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of Assistive and

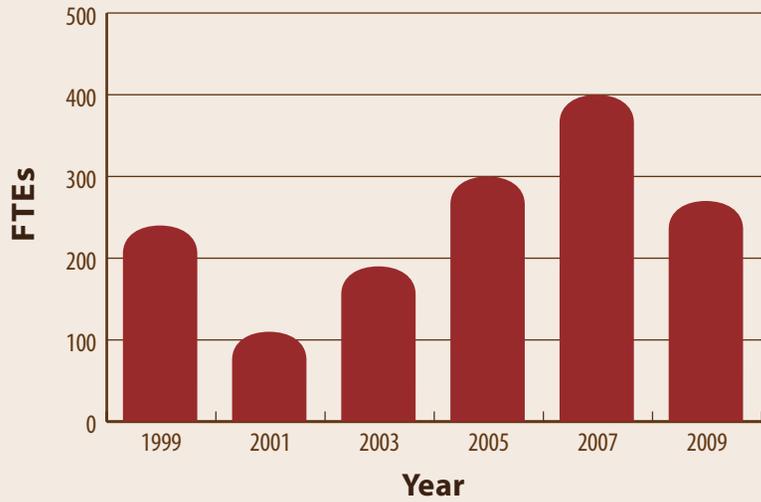
Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Agriculture, Texas Water Development Board, Texas Department of Transportation, Texas Youth Commission, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



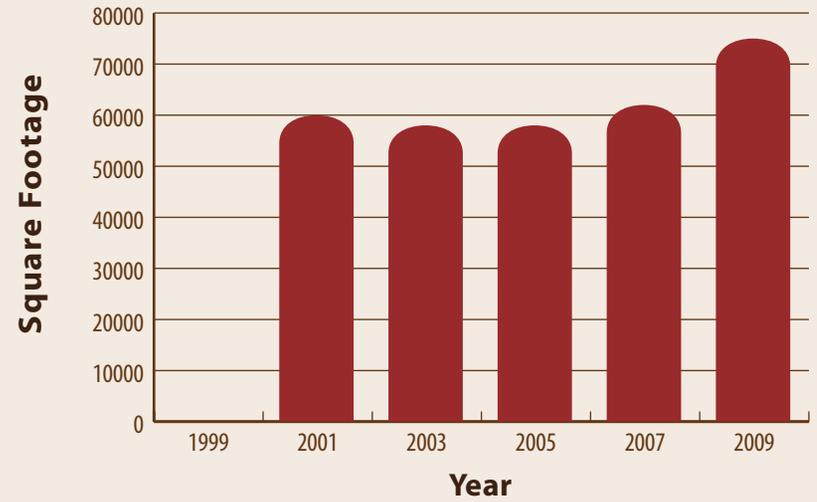
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	3,096	3,178	3%
Number of State Agencies	17	17	
Number of State Leases	50	50	
TFC Space Needs (sf)	612,968	699,160	14%
Total Office Space Owned	0	0	
Total Office Space Leased	612,968	699,160	
Total Lease Costs	\$8,971,729	\$12,221,317	36%
Average Lease Cost Per Sq. Ft.	\$14.64	\$17.48	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	399	413	4%
Number of State Leases	1	1	
Percent of State Leases Colocated	100%		
TFC Space Needs (sf)	75,195	90,860	21%
Total Office Space Owned	0	0	
Total Office Space Leased	75,195	90,860	21%
Total Lease Cost	\$1,091,279	\$1,574,604	44%
Expiring Leases through FY 2015		0%	
Administrative Office Space:			
Number of Leases / Agencies	1/3	1/3	
Total Office Space Leased	75,195	90,860	
TFC's Average Rent	\$14.51	\$17.33	
Market Rent - Spring 2010	\$17.00		
TFC's Office Market Share	7%		
Vacancy Rate	11%		
Typical Lease Size Available	2,500		
Buildings for Sale > 50,000 Sq. Ft.	1		

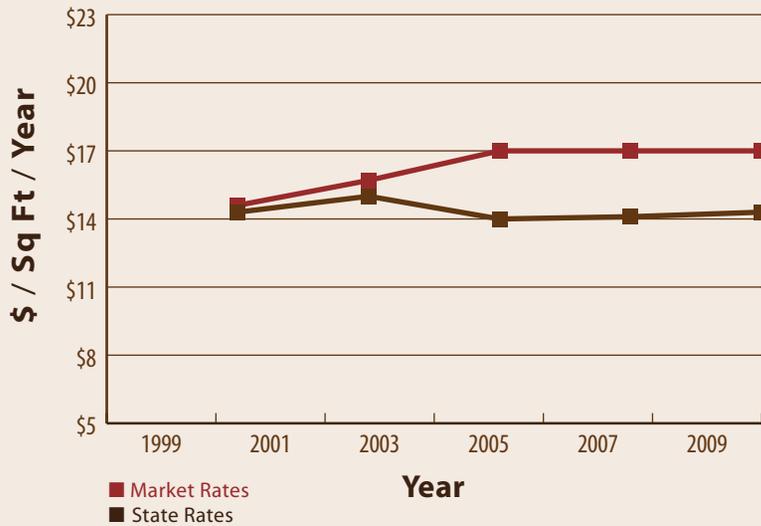
### Total FTEs



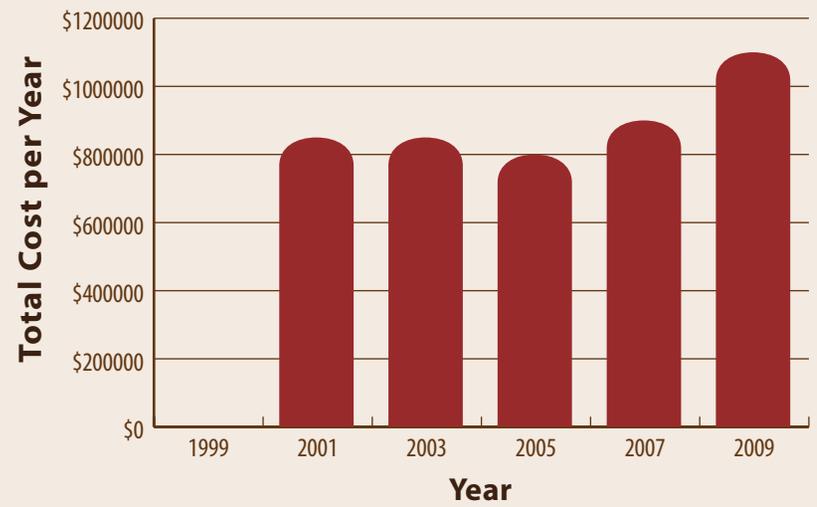
### Total Leased Office Space



### State vs Market Rent Rates



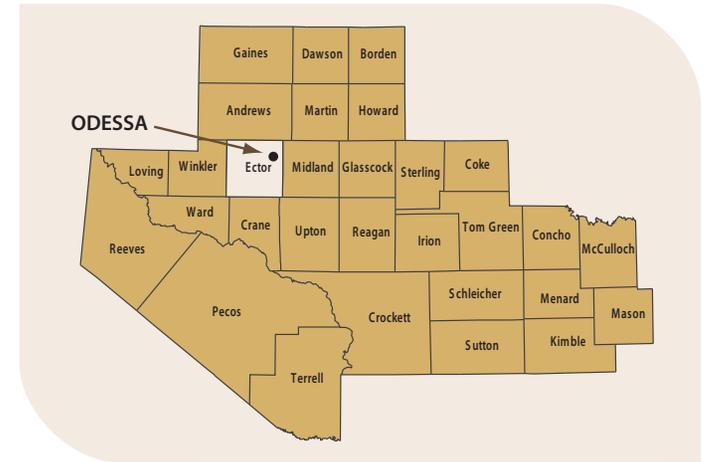
### Lease Cost per Year





## Ector County

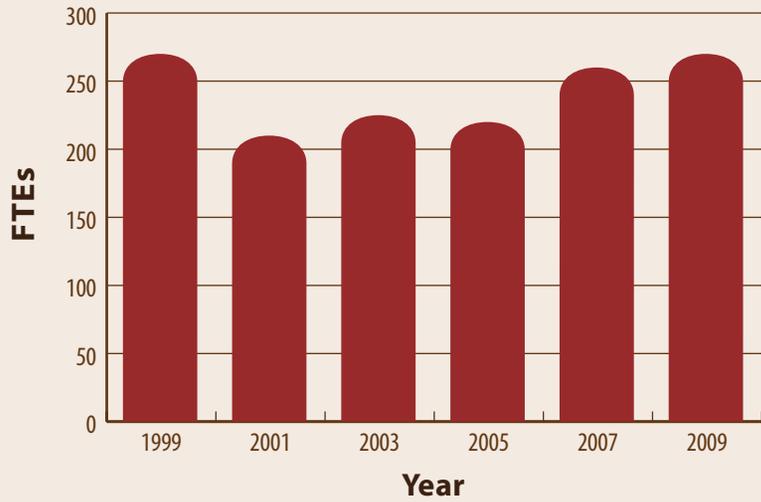
**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, Texas Lottery Commission, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, and Texas Department of Criminal Justice.



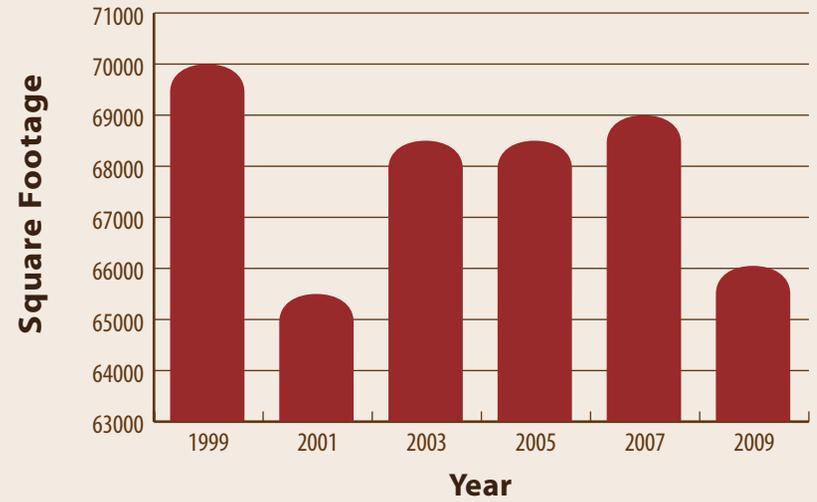
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	272	282	4%
Number of State Agencies	9	9	
Number of State Leases	6	6	
TFC Space Needs (sf)	66,170	62,040	-6%
Total Office Space Owned	0	0	
Total Office Space Leased	66,170	62,040	
Total Lease Costs	\$746,108	\$835,058	12%
Average Lease Cost Per Sq. Ft.	\$11.28	\$13.46	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	272	282	4%
Number of State Leases	6	6	
Percent of State Leases Colocated	33%		
TFC Space Needs (sf)	66,170	62,040	-6%
Total Office Space Owned	0	0	
Total Office Space Leased	66,170	62,040	-6%
Total Lease Cost	\$746,108	\$835,058	12%
Expiring Leases through FY 2015		100%	
Administrative Office Space:			
Number of Leases / Agencies	5/7	5/7	
Total Office Space Leased	35,017	46,200	
TFC's Average Rent	\$11.28	\$13.46	
Market Rent - Spring 2010	\$13.00		
TFC's Office Market Share	5%		
Vacancy Rate	5%		
Typical Lease Size Available	2,500		
Buildings for Sale > 50,000 Sq. Ft.	2		

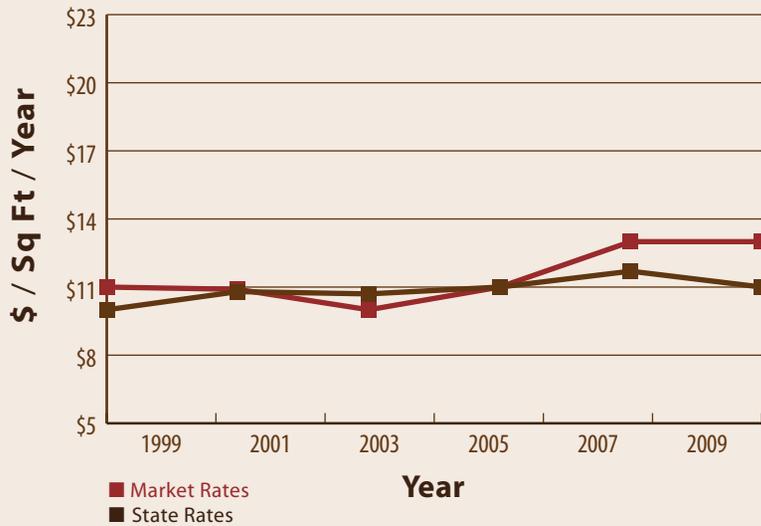
### Total FTEs



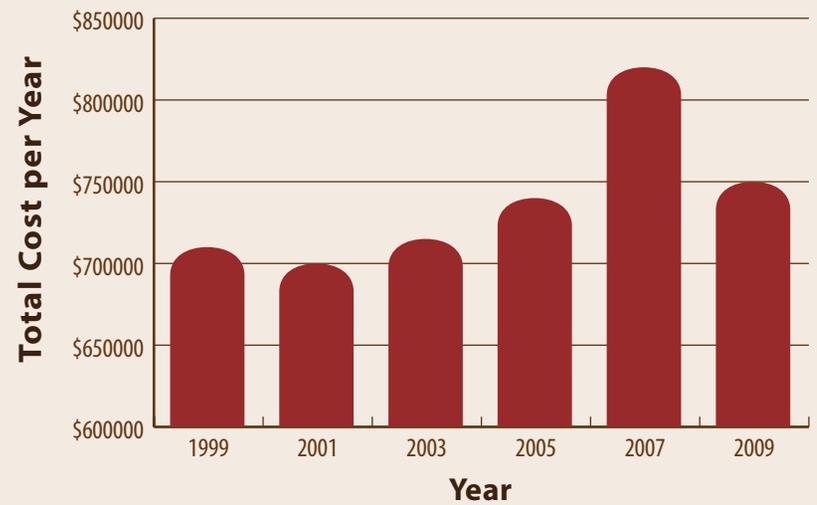
### Total Leased Office Space

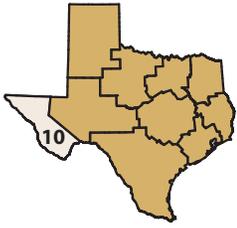


### State vs Market Rent Rates



### Lease Cost per Year

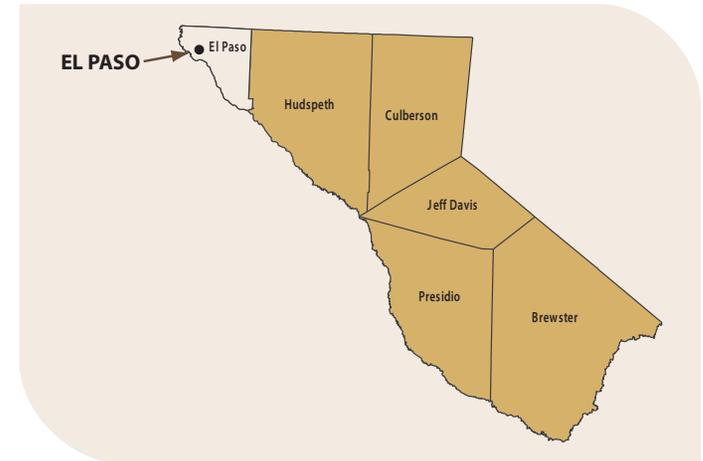




## El Paso County

**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, General Land Office, Secretary of State, Texas Department of Housing and Community Affairs, State Office of Administrative Hearings, Texas Lottery Commission, Department of Public Safety, Texas Department of Insurance, Texas Alcoholic Beverage Commission, Health and Human Services Commission,

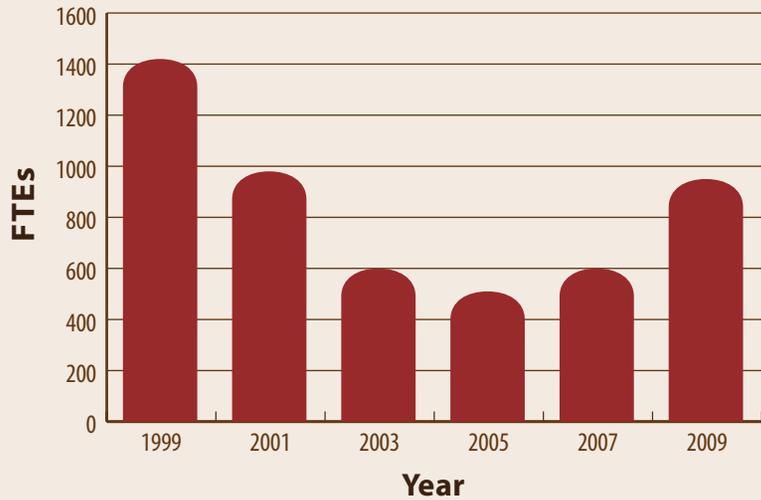
Department of Family and Protective Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Agriculture, Texas Forest Service, Texas Water Development Board, Texas Commission on Environmental Quality, Texas Department of Transportation, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



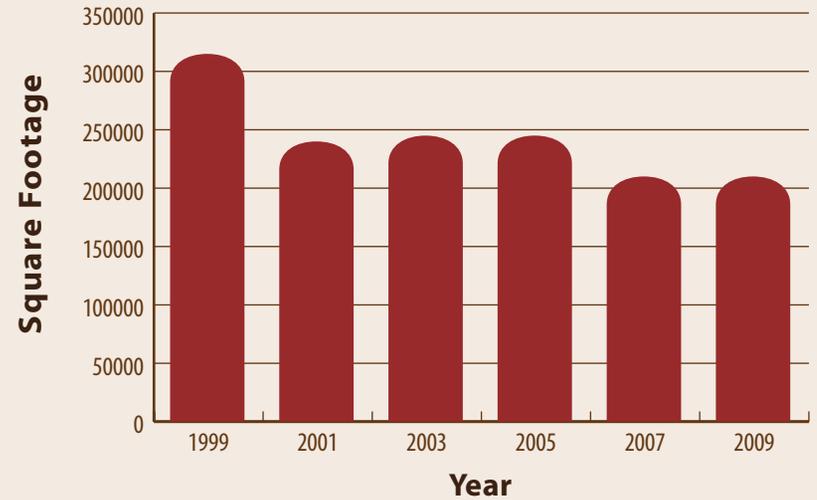
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	1,467	1,539	5%
Number of State Agencies	22	22	
Number of State Leases	21	21	
TFC Space Needs (sf)	329,229	328,990	0%
Total Office Space Owned	91,170	91,170	
Total Office Space Leased	238,059	237,820	
Total Lease Costs	\$3,697,234	\$4,409,183	19%
Average Lease Cost Per Sq. Ft.	\$15.53	\$18.54	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	1,381	1,449	5%
Number of State Leases	17	17	
Percent of State Leases Colocated	29%		
TFC Space Needs (sf)	303,808	309,190	2%
Total Office Space Owned	91,170	91,170	
Total Office Space Leased	212,638	218,020	3%
Total Lease Cost	\$3,289,901	\$4,026,829	22%
Expiring Leases through FY 2015		100%	
Administrative Office Space:			
Number of Leases / Agencies	12/4	12/4	
Total Office Space Leased	94,519	99,440	
TFC's Average Rent	\$15.47	\$18.47	
Market Rent - Spring 2010	\$16.50		
TFC's Office Market Share	5%		
Vacancy Rate	14%		
Typical Lease Size Available	2,500		
Buildings for Sale > 50,000 Sq. Ft.	1		

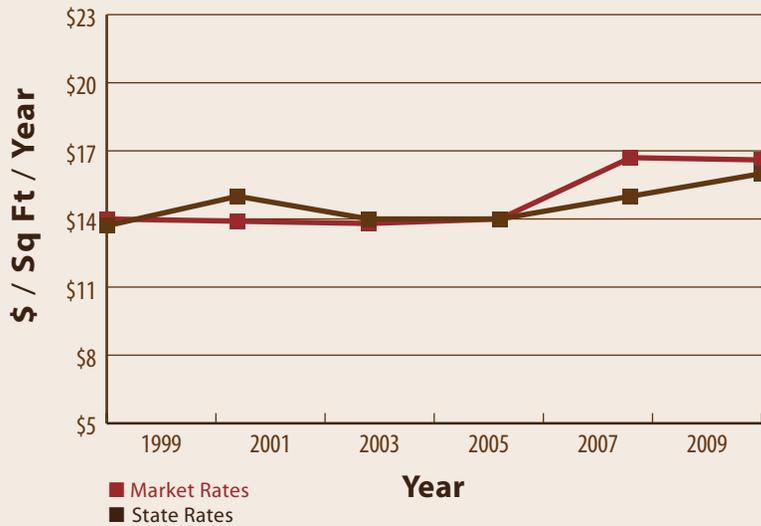
### Total FTEs



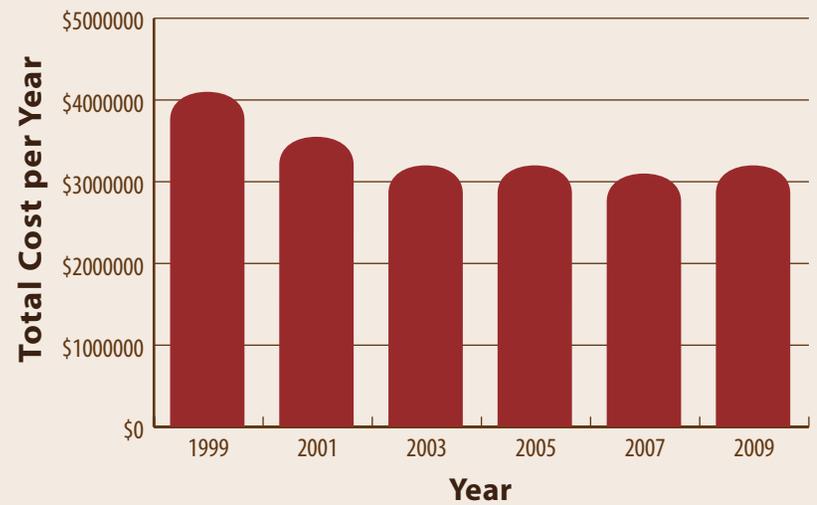
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





## Harris County

**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Texas Facilities Commission, General Land Office, Comptroller of Public Accounts, State Securities Board, Texas Department of Housing and Community Affairs, State Office of Administrative Hearings, Texas Lottery Commission, Department of Public Safety, Texas Department of Banking, Texas Department of Licensing and Regulation, Texas

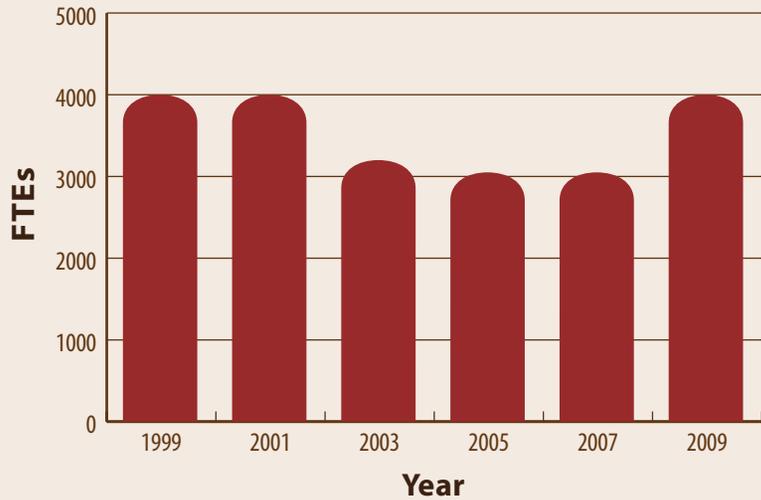
Department of Insurance, Railroad Commission, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Agriculture, Texas Water Development Board, Texas Commission on Environmental Quality, Texas Youth Commission, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



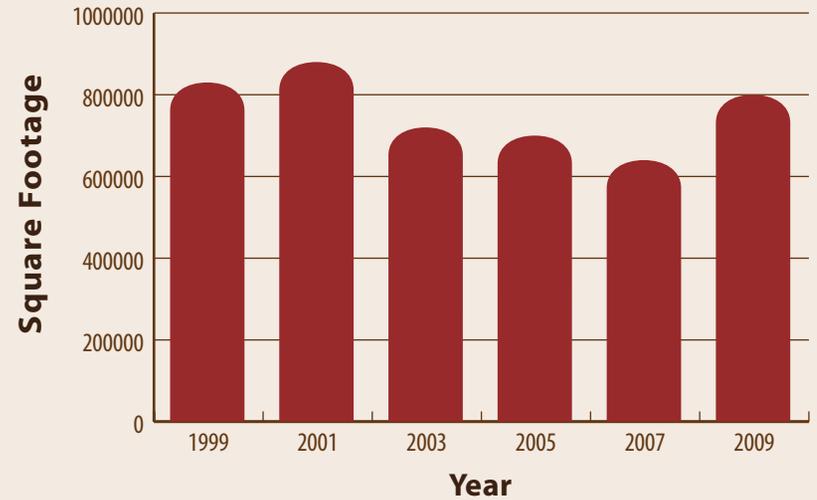
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	5,211	5,324	2%
Number of State Agencies	25	25	
Number of State Leases	69	69	
TFC Space Needs (sf)	1,033,309	1,122,053	9%
Total Office Space Owned	196,513	196,513	
Total Office Space Leased	836,796	925,540	
Total Lease Costs	\$12,966,450	\$17,122,490	32%
Average Lease Cost Per Sq. Ft.	\$15.50	\$18.50	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	5,016	5,127	2%
Number of State Leases	57	57	
Percent of State Leases Colocated	14%		
TFC Space Needs (sf)	985,261	1,078,713	9%
Total Office Space Owned	196,513	196,513	
Total Office Space Leased	788,748	882,200	12%
Total Lease Cost	\$12,204,797	\$16,303,056	34%
Expiring Leases through FY 2015		89%	
Administrative Office Space:			
Number of Leases / Agencies	47/16	47/16	
Total Office Space Leased	456,016	519,640	
TFC's Average Rent	\$15.47	\$18.48	
Market Rent - Spring 2010	\$19.00		
TFC's Office Market Share	0.5%		
Vacancy Rate	16%		
Typical Lease Size Available	7,500		
Buildings for Sale > 50,000 Sq. Ft.	60		

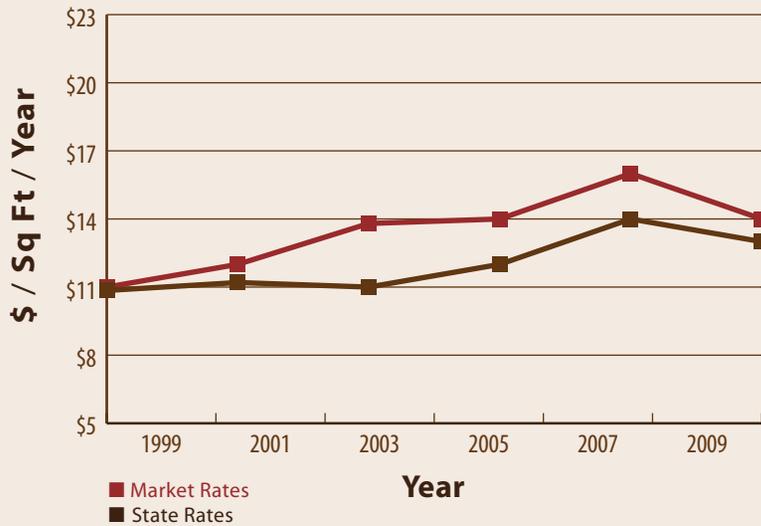
### Total FTEs



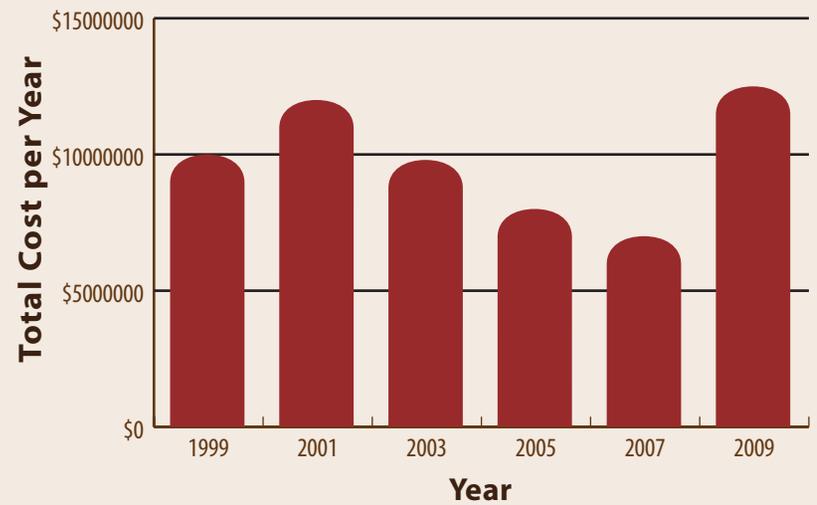
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





## Hidalgo County

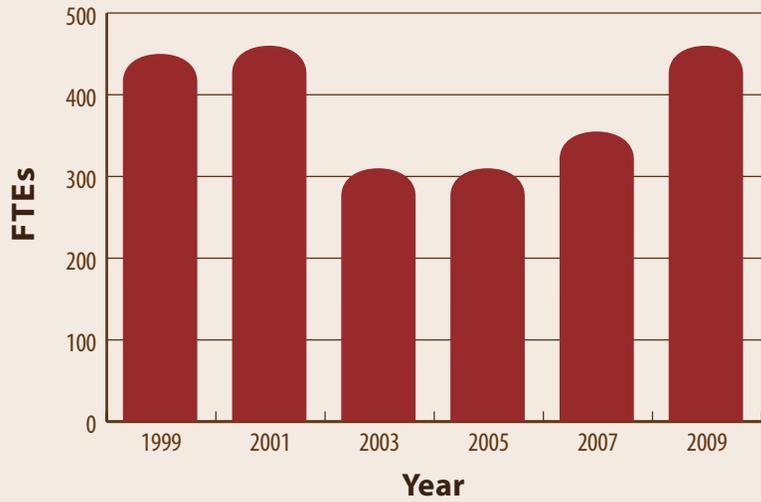
**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, Secretary of State, Texas Department of Housing and Community Affairs, Texas Lottery Commission, Texas Department of Insurance, Railroad Commission, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Texas Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Agriculture, and Texas Department of Criminal Justice.



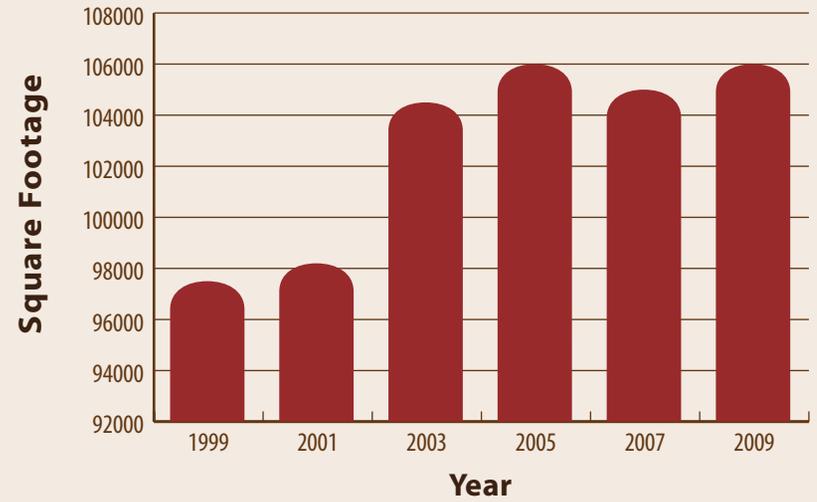
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	1,516	1,567	3%
Number of State Agencies	15	15	
Number of State Leases	26	26	
TFC Space Needs (sf)	337,159	344,740	2%
Total Office Space Owned	0	0	
Total Office Space Leased	337,159	344,740	
Total Lease Costs	\$4,830,439	\$5,898,501	22%
Average Lease Cost Per Sq. Ft..	\$14.33	\$17.11	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	459	469	2%
Number of State Leases	5	5	
Percent of State Leases Colocated	40%		
TFC Space Needs (sf)	106,137	103,180	-3%
Total Office Space Owned	0	0	
Total Office Space Leased	106,137	103,180	-3%
Total Lease Cost	\$1,371,675	\$1,592,067	16%
Expiring Leases through FY 2015		100%	
Administrative Office Space:			
Number of Leases / Agencies	5/6	5/6	
Total Office Space Leased	84,621	85,360	
TFC's Average Rent	\$12.92	\$15.43	
Market Rent - Spring 2010	\$14.00		
TFC's Office Market Share	21%		
Vacancy Rate	10%		
Typical Lease Size Available	1,500		
Buildings for Sale > 50,000 Sq. Ft.	1		

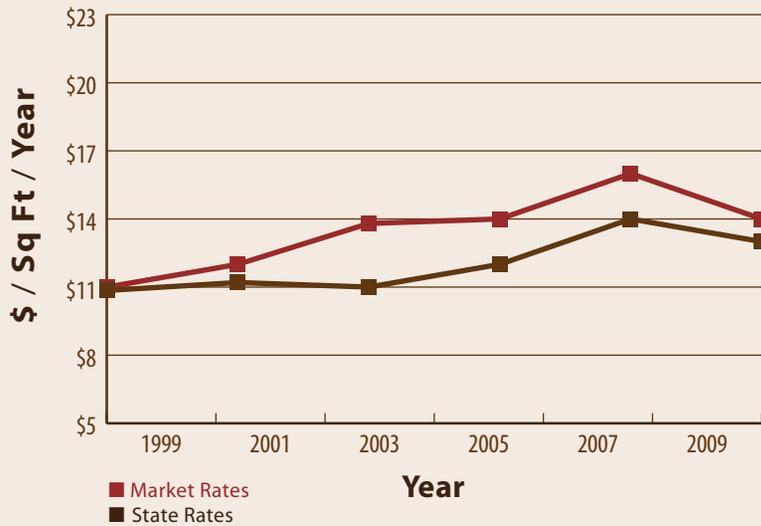
### Total FTEs



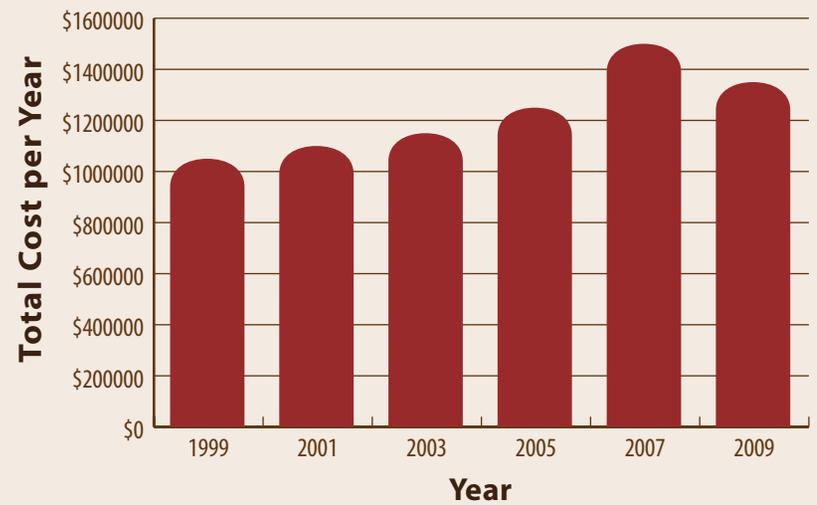
### Total Leased Office Space



### State vs Market Rent Rates



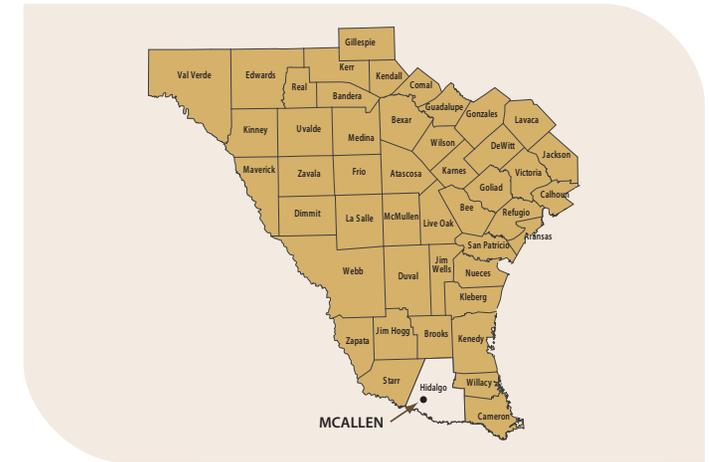
### Lease Cost per Year





## Hidalgo County

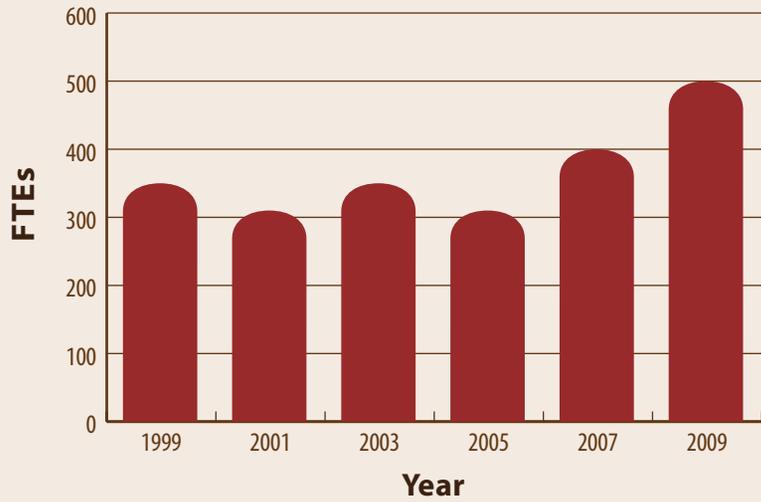
**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, Secretary of State, Texas Department of Housing and Community Affairs, Texas Lottery Commission, Texas Department of Insurance, Railroad Commission, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Texas Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Agriculture, and Texas Department of Criminal Justice.



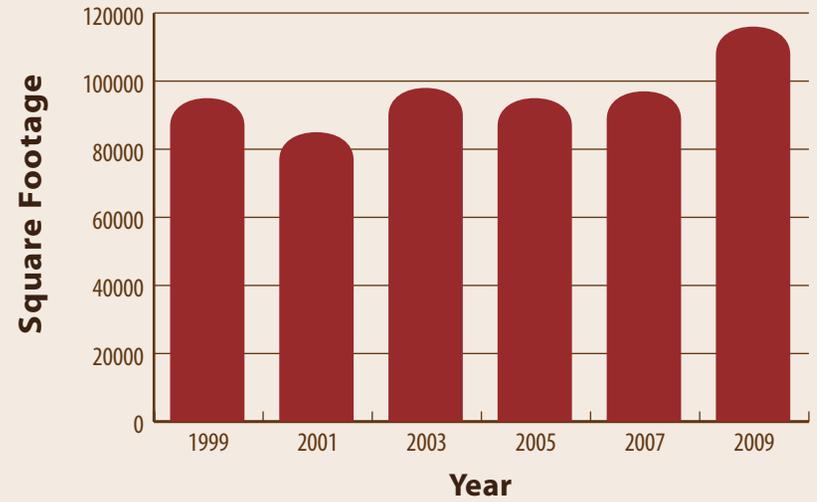
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	1,516	1,567	3%
Number of State Agencies	15	15	
Number of State Leases	26	26	
TFC Space Needs (sf)	337,159	344,740	2%
Total Office Space Owned	0	0	
Total Office Space Leased	337,159	344,740	
Total Lease Costs	\$4,830,439	\$5,898,501	22%
Average Lease Cost Per Sq. Ft..	\$14.33	\$17.11	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	507	525	4%
Number of State Leases	9	9	
Percent of State Leases Colocated	22%		
TFC Space Needs (sf)	112,473	115,500	3%
Total Office Space Owned	0	0	
Total Office Space Leased	112,473	115,500	3%
Total Lease Cost	\$1,674,090	\$2,052,435	23%
Expiring Leases through FY 2015		89%	
Administrative Office Space:			
Number of Leases / Agencies	8/8	8/8	
Total Office Space Leased	70,311	81,620	
TFC's Average Rent	\$14.88	\$17.77	
Market Rent - Spring 2010	\$16.00		
TFC's Office Market Share	10%		
Vacancy Rate	15%		
Typical Lease Size Available	2,000		
Buildings for Sale > 50,000 Sq. Ft.	0		

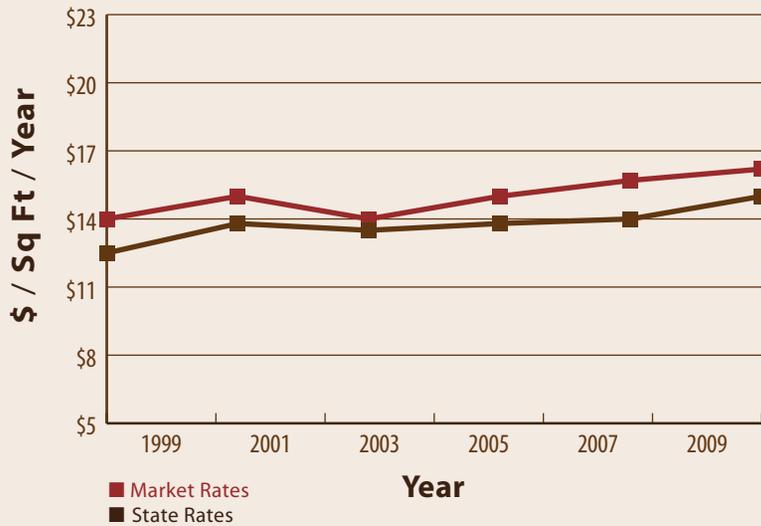
### Total FTEs



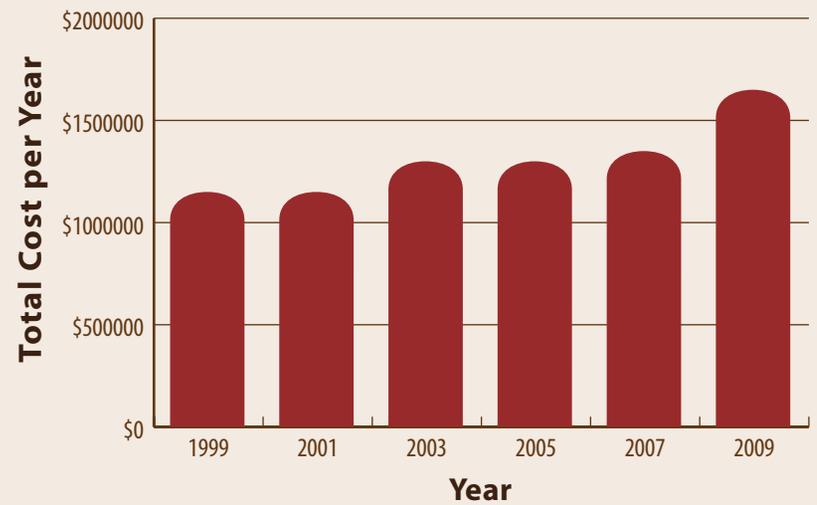
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year

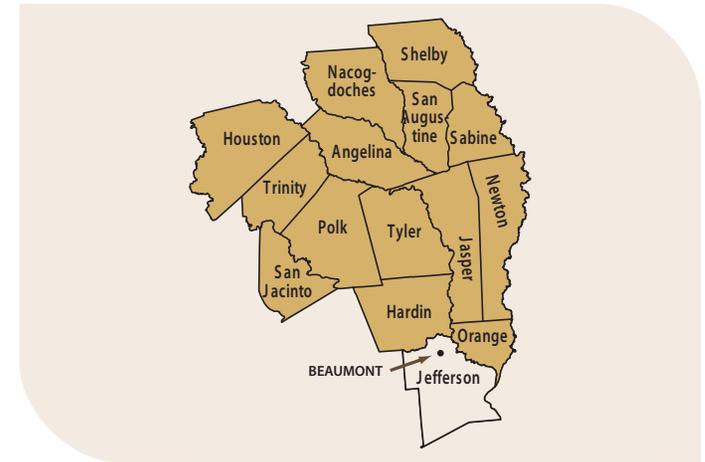




## Jefferson County

**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, General Land Office, Texas Lottery Commission, Texas Department of Insurance, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department

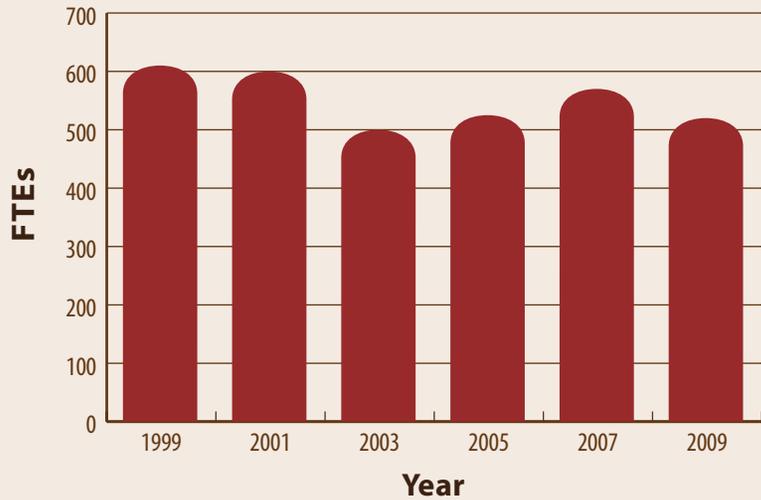
of Aging and Disability Services, Texas Commission on Environmental Quality, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



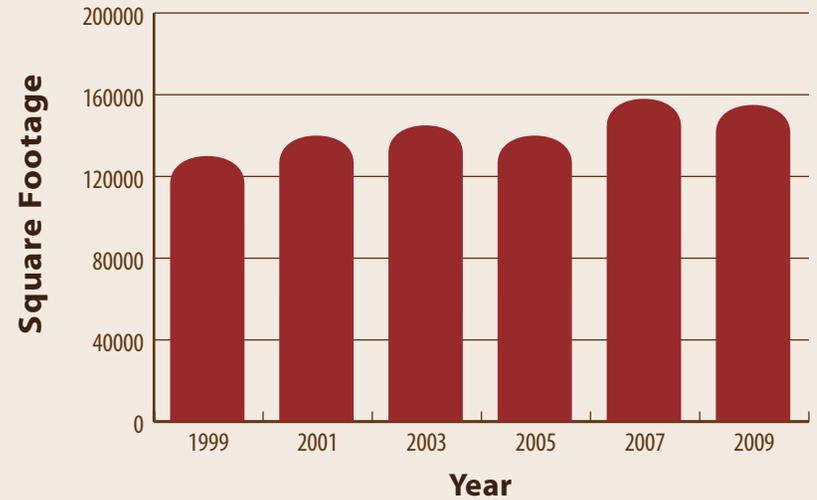
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	670	694	4%
Number of State Agencies	14	14	
Number of State Leases	13	13	
TFC Space Needs (sf)	190,041	152,680	-20%
Total Office Space Owned	0	0	
Total Office Space Leased	190,041	152,680	
Total Lease Costs	\$2,276,221	\$2,183,324	-4%
Average Lease Cost Per Sq. Ft.	\$11.98	\$14.30	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	529	549	4%
Number of State Leases	10	10	
Percent of State Leases Colocated	30%		
TFC Space Needs (sf)	152,764	120,780	-21%
Total Office Space Owned	0	0	
Total Office Space Leased	152,764	120,780	-21%
Total Lease Cost	\$1,633,246	\$1,542,361	-6%
Expiring Leases through FY 2015		90%	
Administrative Office Space:			
Number of Leases / Agencies	9/12	9/12	
Total Office Space Leased	142,682	110,000	
TFC's Average Rent	\$10.69	\$12.77	
Market Rent - Spring 2010	\$15.00		
TFC's Office Market Share	8%		
Vacancy Rate	15%		
Typical Lease Size Available	2,000		
Buildings for Sale > 50,000 Sq. Ft.	0		

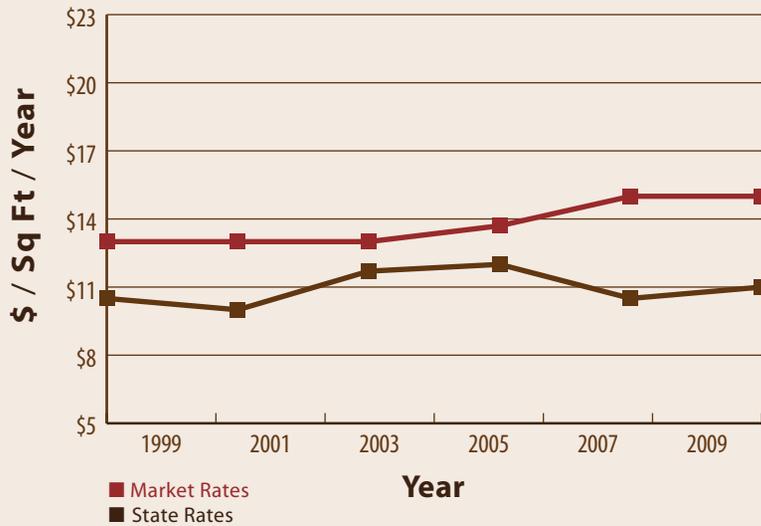
### Total FTEs



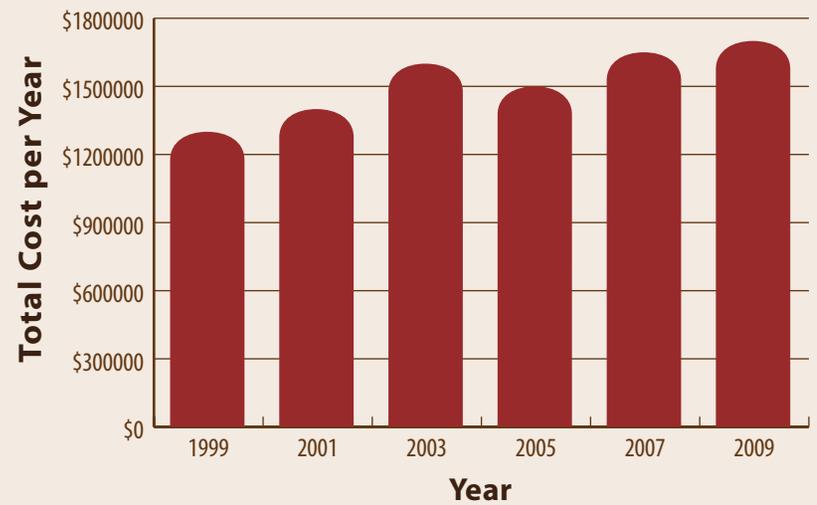
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year

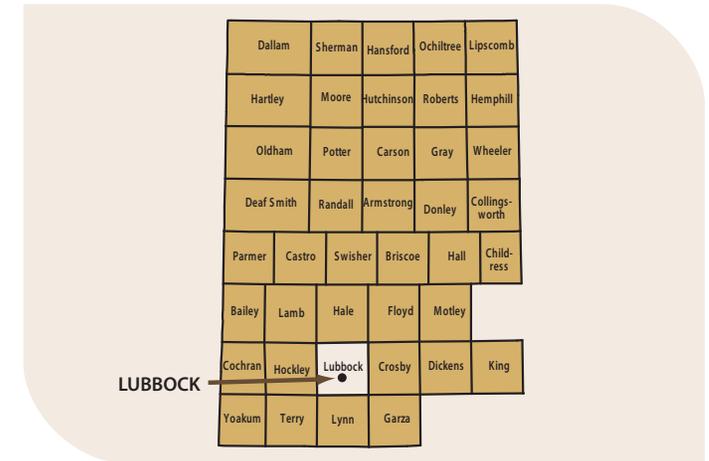




## Lubbock County

**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, State Securities Board, Texas Department of Housing and Community Affairs, State Office of Administrative Hearings, Texas Lottery Commission, Texas Commission on Fire Protection, Department of Banking, Texas Department of Insurance, Texas Alcoholic Beverage Commission, Health and Human Services

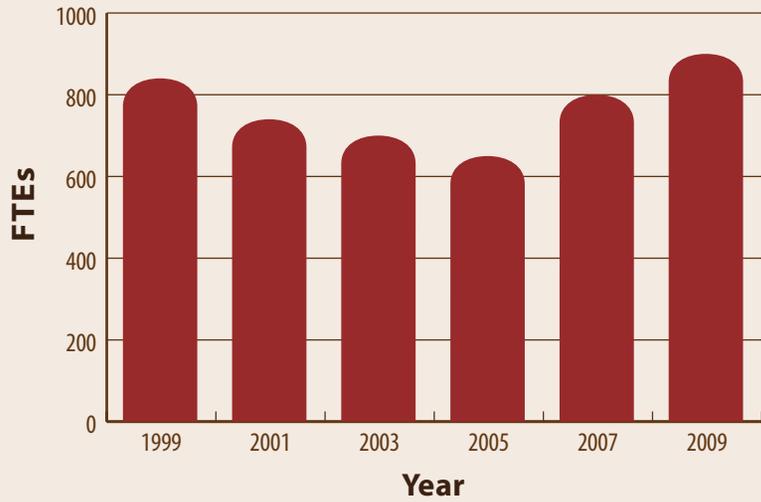
Commission, Department of Family and Protective Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Agriculture, Texas Commission on Environmental Quality, Texas Youth Commission, and Texas Department of Criminal Justice.



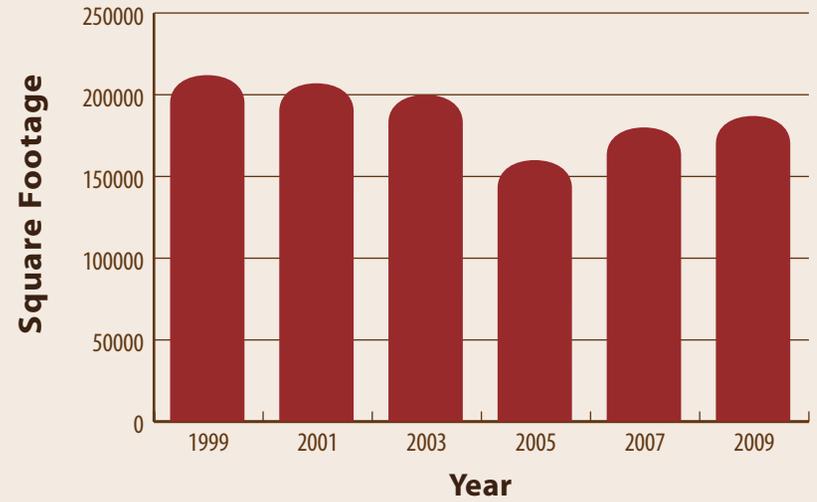
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	881	904	3%
Number of State Agencies	19	19	
Number of State Leases	22	22	
TFC Space Needs (sf)	185,196	198,880	7%
Total Office Space Owned	0	0	
Total Office Space Leased	185,196	198,880	
Total Lease Costs	\$2,073,715	\$2,659,026	28%
Average Lease Cost Per Sq. Ft.	\$11.20	\$13.37	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	881	904	3%
Number of State Leases	22	22	
Percent of State Leases Colocated	27%		
TFC Space Needs (sf)	185,196	198,880	7%
Total Office Space Owned	0	0	
Total Office Space Leased	185,196	198,880	7%
Total Lease Cost	\$2,073,715	\$2,659,026	28%
Expiring Leases through FY 2015		91%	
Administrative Office Space:			
Number of Leases / Agencies	19/17	19/17	
Total Office Space Leased	153,483	165,000	
TFC's Average Rent	\$11.20	\$13.37	
Market Rent - Spring 2010	\$14.00		
TFC's Office Market Share	9%		
Vacancy Rate	18%		
Typical Lease Size Available	1,500		
Buildings for Sale > 50,000 Sq. Ft.	1		

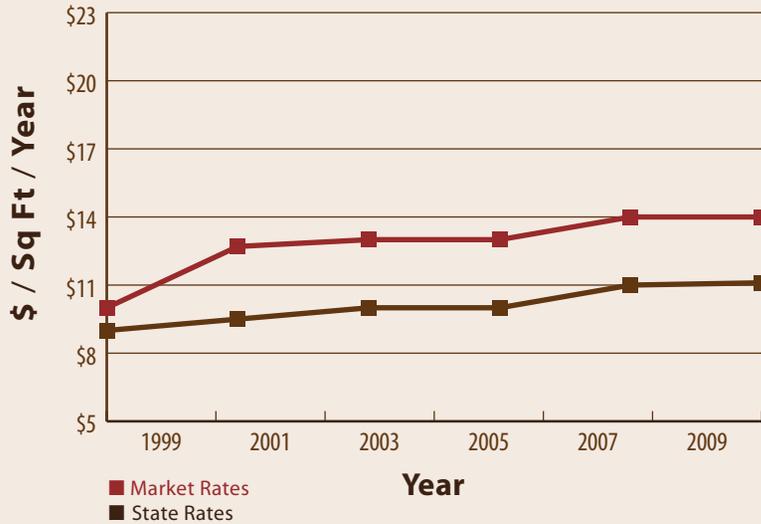
### Total FTEs



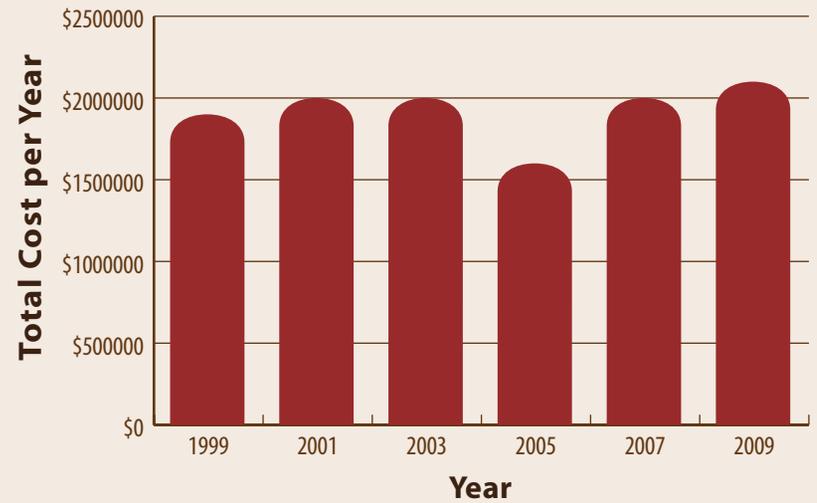
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year

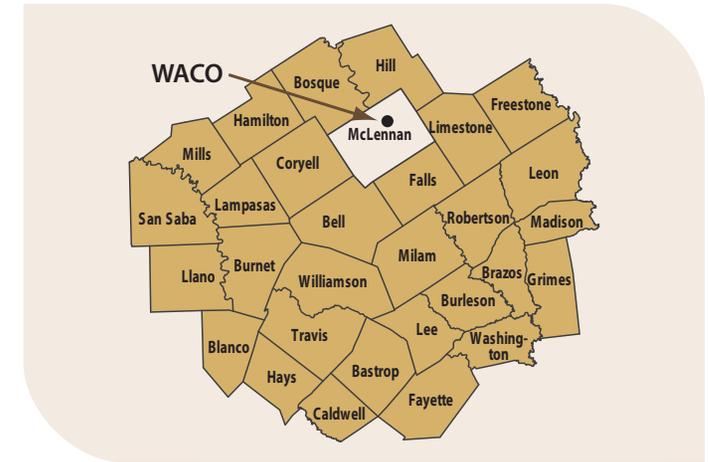




## McLennan County

**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Texas Facilities Commission, Comptroller of Public Accounts, Texas Department of Housing and Community Affairs, State Office of Administrative Hearings, Texas Department of Insurance, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of State

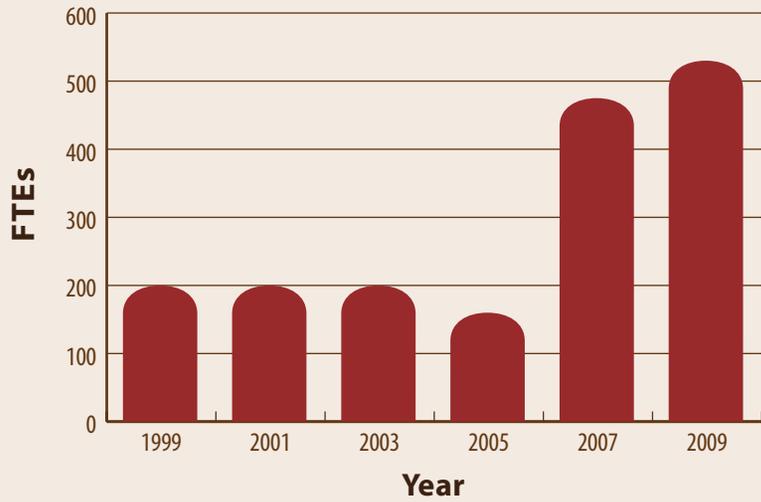
Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Commission on Environmental Quality, Texas Department of Transportation, Texas Youth Commission, and Texas Parks and Wildlife Department.



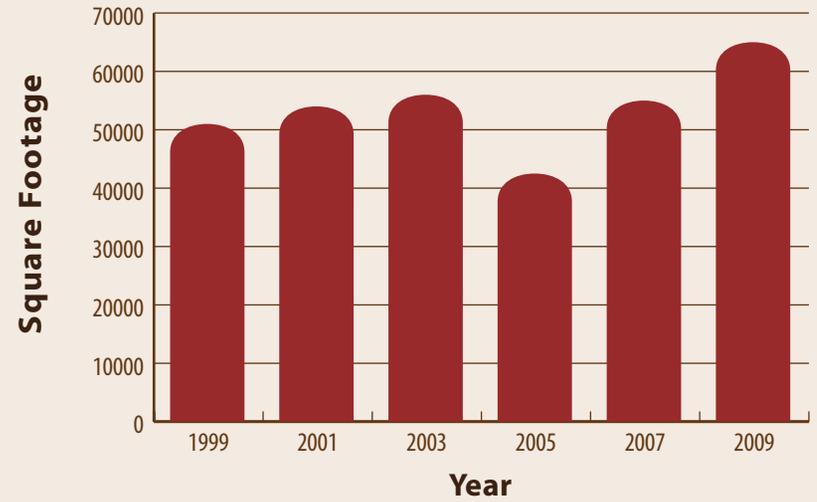
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	542	551	2%
Number of State Agencies	16	16	
Number of State Leases	8	8	
TFC Space Needs (sf)	134,614	128,958	-4%
Total Office Space Owned	69,599	69,599	
Total Office Space Leased	65,015	59,359	
Total Lease Costs	\$779,255	\$849,427	9%
Average Lease Cost Per Sq. Ft..	\$11.99	\$14.31	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	542	551	2%
Number of State Leases	8	8	
Percent of State Leases Colocated	0%		
TFC Space Needs (sf)	134,614	128,958	-4%
Total Office Space Owned	69,599	69,599	
Total Office Space Leased	65,015	59,359	-9%
Total Lease Cost	\$779,255	\$849,427	9%
Expiring Leases through FY 2015		75%	
Administrative Office Space:			
Number of Leases / Agencies	4/4	4/4	
Total Office Space Leased	32,065	29,219	
TFC's Average Rent	\$11.99	\$14.31	
Market Rent - Spring 2010	\$14.00		
TFC's Office Market Share	13%		
Vacancy Rate	18%		
Typical Lease Size Available	2,000		
Buildings for Sale > 50,000 Sq. Ft.	0		

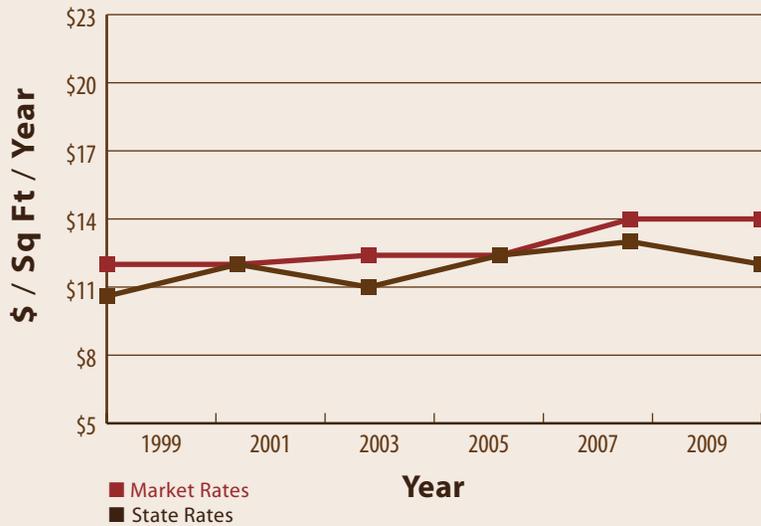
### Total FTEs



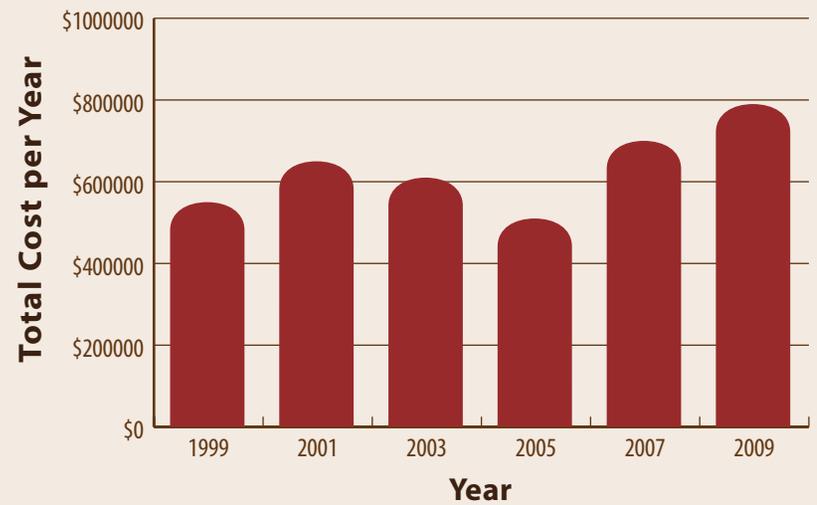
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





## Midland County

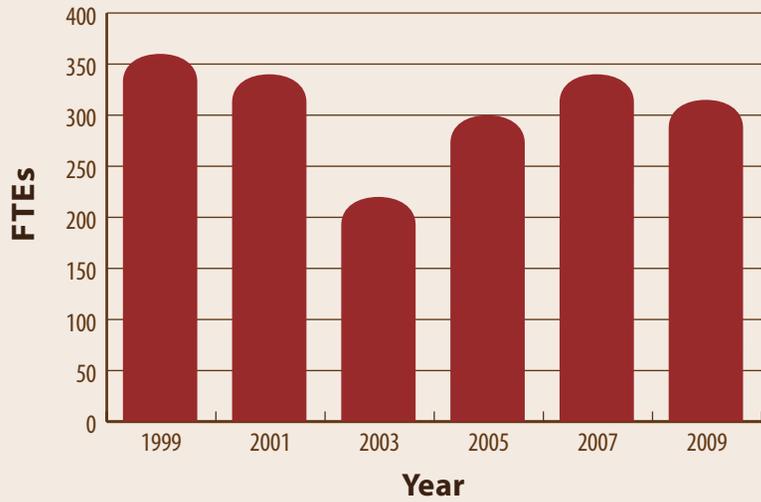
**OCCUPYING STATE AGENCIES:** Office of the Attorney General, General Land Office, Texas Department of Insurance, Railroad Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Department of Aging and Disability Services, Texas Commission on Environmental Quality, Texas Youth Commission, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



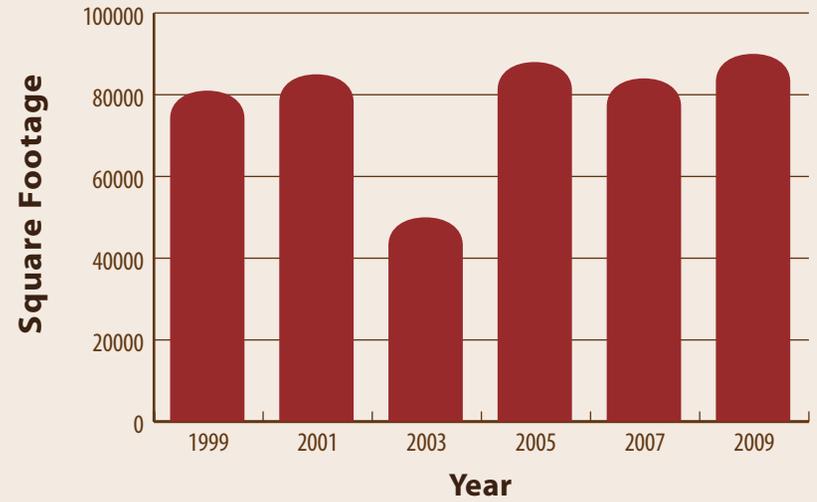
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	318	330	4%
Number of State Agencies	12	12	
Number of State Leases	11	11	
TFC Space Needs (sf)	90,803	77,882	-14%
Total Office Space Owned	0	0	
Total Office Space Leased	90,803	77,882	
Total Lease Costs	\$942,400	\$964,958	2%
Average Lease Cost Per Sq. Ft.	\$10.38	\$12.39	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	318	330	4%
Number of State Leases	11	11	
Percent of State Leases Colocated	9%		
TFC Space Needs (sf)	90,803	77,882	-14%
Total Office Space Owned	0	0	
Total Office Space Leased	90,803	77,882	-14%
Total Lease Cost	\$942,400	\$964,958	2%
Expiring Leases through FY 2015		73%	
Administrative Office Space:			
Number of Leases / Agencies	9/9	9/9	
Total Office Space Leased	61,769	63,802	
TFC's Average Rent	\$10.38	\$12.39	
Market Rent - Spring 2010	\$11.00		
TFC's Office Market Share	2%		
Vacancy Rate	7%		
Typical Lease Size Available	1,500		
Buildings for Sale > 50,000 Sq. Ft.	1		

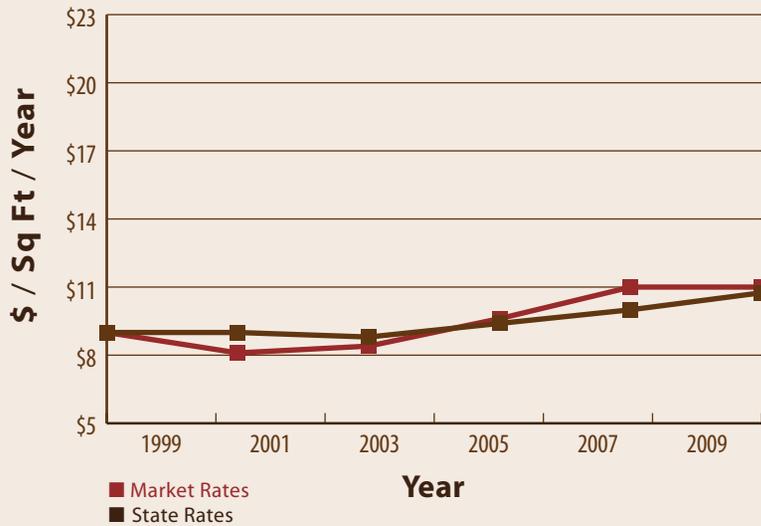
### Total FTEs



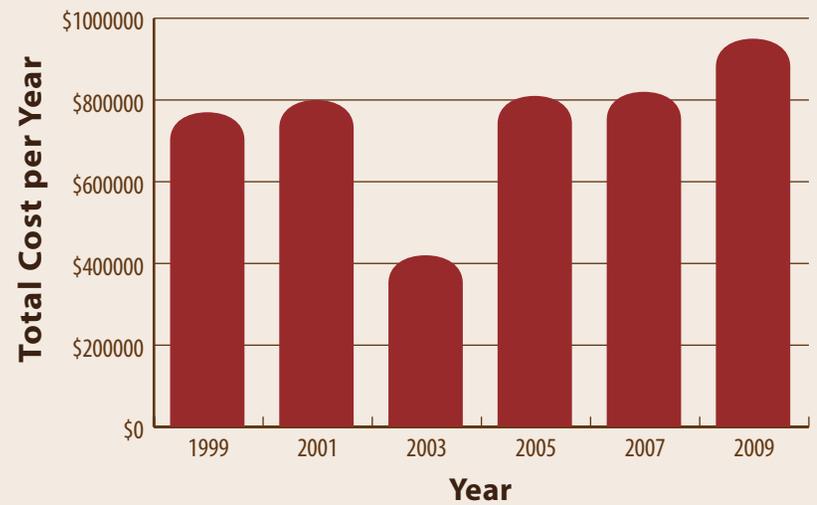
### Total Leased Office Space



### State vs Market Rent Rates



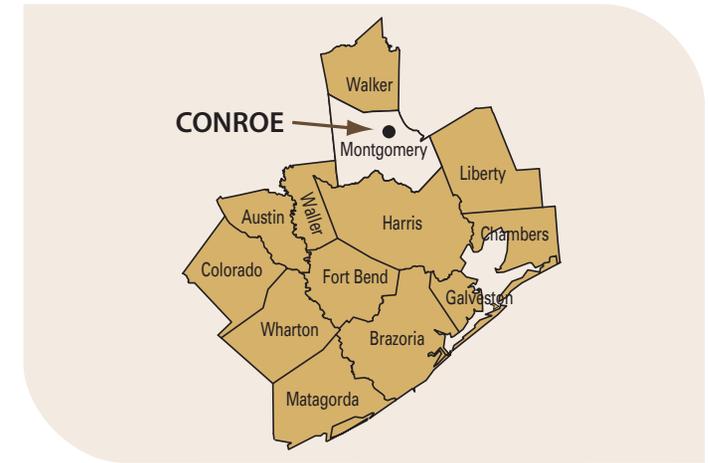
### Lease Cost per Year





## Montgomery County

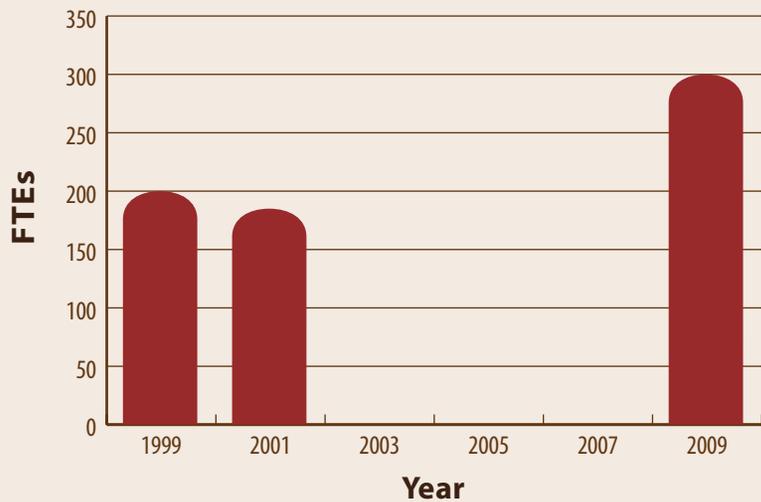
**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, and Texas Department of Criminal Justice.



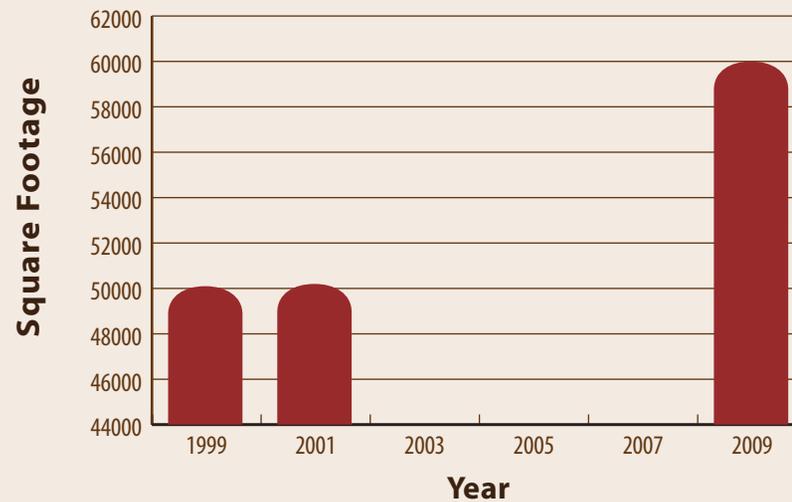
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	295	304	3%
Number of State Agencies	7	7	
Number of State Leases	7	7	
TFC Space Needs (sf)	60,118	66,880	11%
Total Office Space Owned	0	0	
Total Office Space Leased	60,118	66,880	
Total Lease Costs	\$856,135	\$1,136,960	33%
Average Lease Cost Per Sq. Ft.	\$14.24	\$17.00	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	295	304	3%
Number of State Leases	7	7	
Percent of State Leases Colocated	14%		
TFC Space Needs (sf)	60,118	66,880	11%
Total Office Space Owned	0	0	
Total Office Space Leased	60,118	66,880	11%
Total Lease Cost	\$856,135	\$1,136,960	33%
Expiring Leases through FY 2015		100%	
Administrative Office Space:			
Number of Leases / Agencies	5/5	5/5	
Total Office Space Leased	33,537	45,100	
TFC's Average Rent	\$14.24	\$17.00	
Market Rent - Spring 2010	\$16.50		
TFC's Office Market Share	1%		
Vacancy Rate	25%		
Typical Lease Size Available	3,000		
Buildings for Sale > 50,000 Sq. Ft.	1		

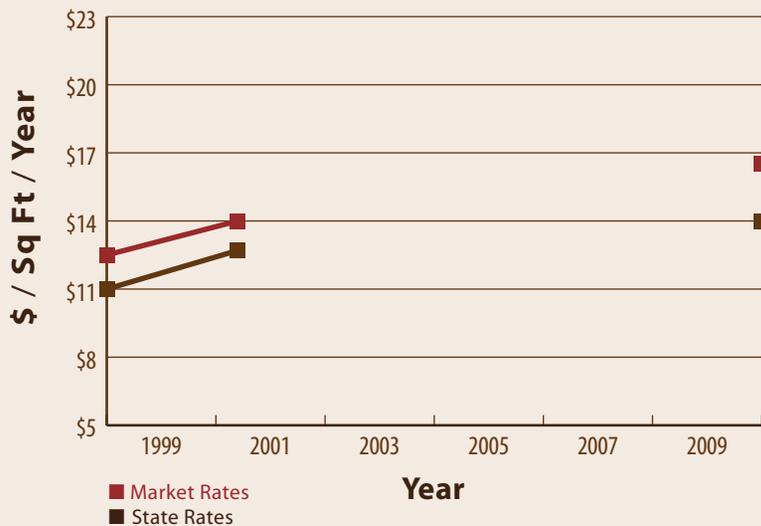
### Total FTEs



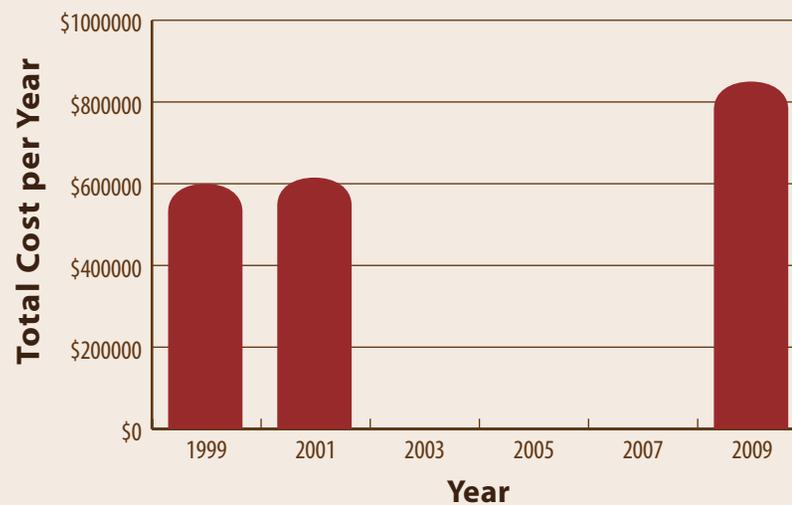
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





## Nueces County

**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, General Land Office, Secretary of State, State Securities Board, State Office of Administrative Hearings, Texas Lottery Commission, Texas Department of Insurance, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of State

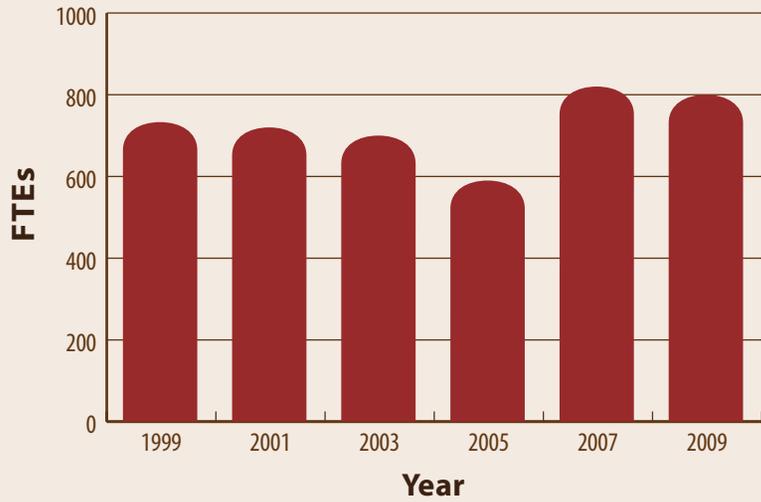
Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Agriculture, Texas Forest Service, Texas Commission on Environmental Quality, Texas Youth Commission, Texas Department of Criminal Justice, Texas A&M University, and Texas Parks and Wildlife Department.



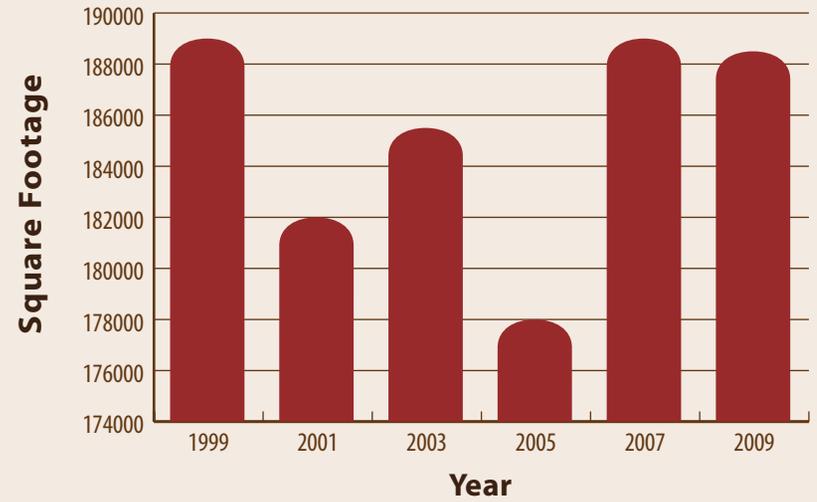
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	1,037	1,074	4%
Number of State Agencies	21	21	
Number of State Leases	18	17	
TFC Space Needs (sf)	274,437	264,979	-3%
Total Office Space Owned	72,479	72,479	
Total Office Space Leased	201,958	192,500	
Total Lease Costs	\$2,459,674	\$2,798,950	14%
Average Lease Cost Per Sq. Ft.	\$12.18	\$14.54	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	997	1,032	4%
Number of State Leases	17	16	
Percent of State Leases Colocated	12%		
TFC Space Needs (sf)	261,007	255,739	-2%
Total Office Space Owned	72,479	72,479	
Total Office Space Leased	188,528	183,260	-3%
Total Lease Cost	\$2,256,511	\$2,618,785	16%
Expiring Leases through FY 2015		88%	
Administrative Office Space:			
Number of Leases / Agencies	15/13	15/13	
Total Office Space Leased	121,763	142,120	
TFC's Average Rent	\$11.97	\$14.29	
Market Rent - Spring 2010	\$14.00		
TFC's Office Market Share	4%		
Vacancy Rate	20%		
Typical Lease Size Available	5,000		
Buildings for Sale > 50,000 Sq. Ft.	3		

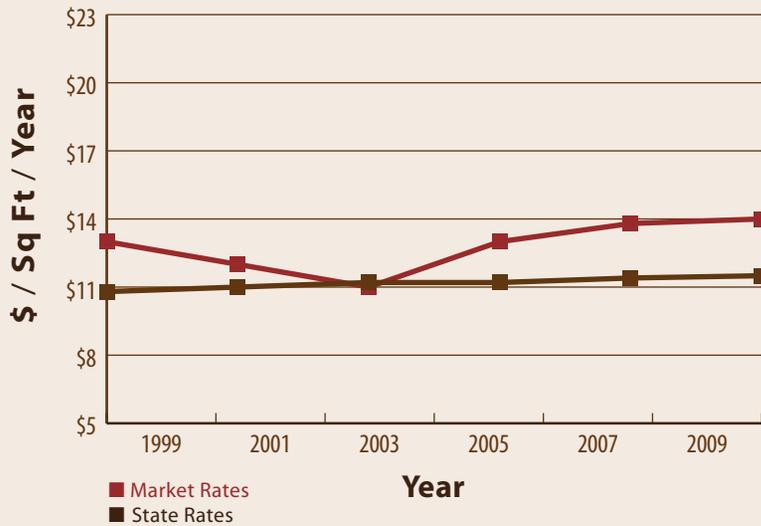
### Total FTEs



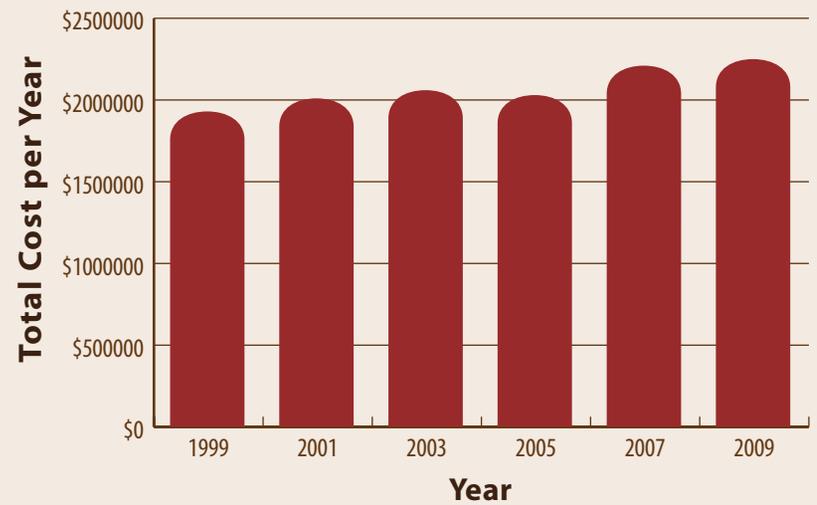
### Total Leased Office Space



### State vs Market Rent Rates



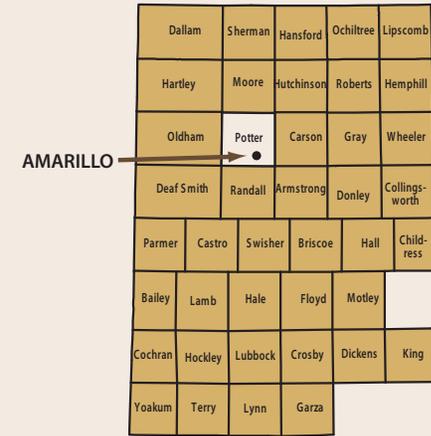
### Lease Cost per Year





## Potter County

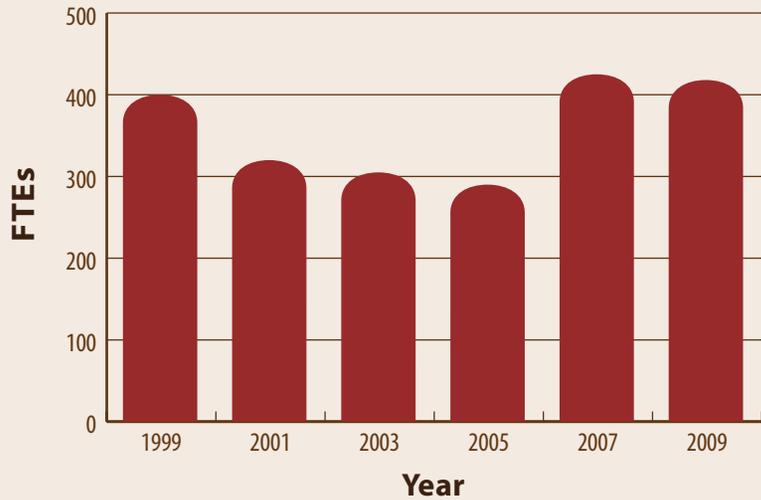
**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, General Land Office, Texas Lottery Commission, Texas Department of Insurance, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Agriculture, and Texas Youth Commission.



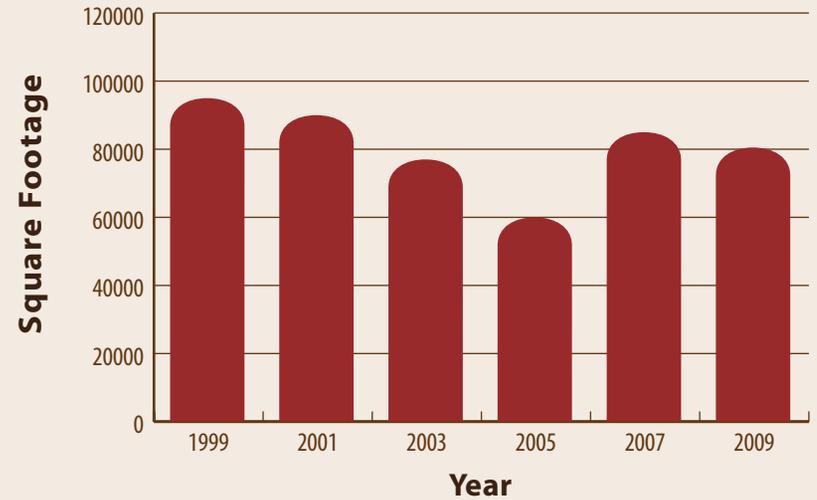
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	422	434	3%
Number of State Agencies	12	12	
Number of State Leases	10	10	
TFC Space Needs (sf)	81,986	95,480	16%
Total Office Space Owned	0	0	
Total Office Space Leased	81,986	95,480	
Total Lease Costs	\$1,046,024	\$1,454,160	39%
Average Lease Cost Per Sq. Ft.	\$12.76	\$15.23	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	422	434	3%
Number of State Leases	10	10	
Percent of State Leases Colocated	40%		
TFC Space Needs (sf)	81,986	95,480	16%
Total Office Space Owned	0	0	
Total Office Space Leased	81,986	95,480	16%
Total Lease Cost	\$1,046,024	\$1,454,160	39%
Expiring Leases through FY 2015		90%	
Administrative Office Space:			
Number of Leases / Agencies	9/11	9/11	
Total Office Space Leased	68,558	77,660	
TFC's Average Rent	\$12.76	\$15.23	
Market Rent - Spring 2010	\$13.00		
TFC's Office Market Share	3%		
Vacancy Rate	12%		
Typical Lease Size Available	3,500		
Buildings for Sale > 50,000 Sq. Ft.	0		

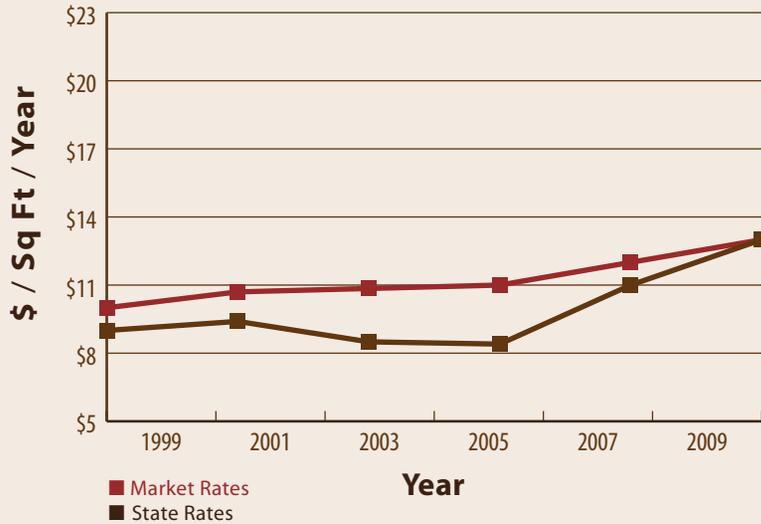
### Total FTEs



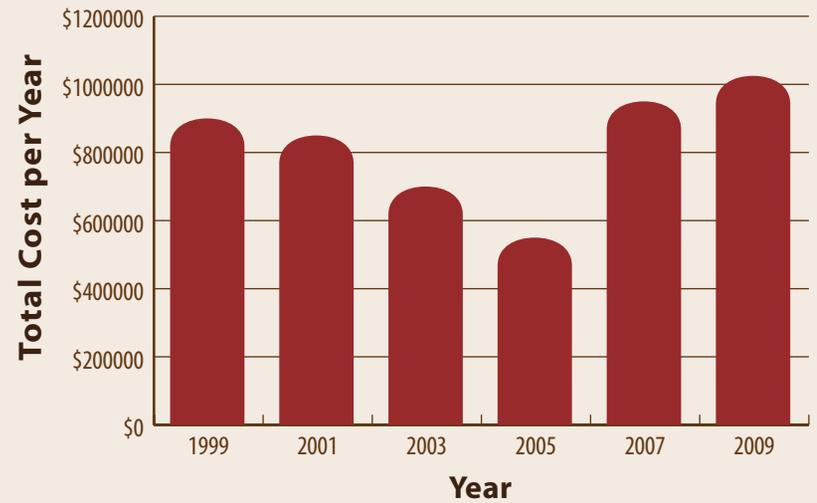
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year

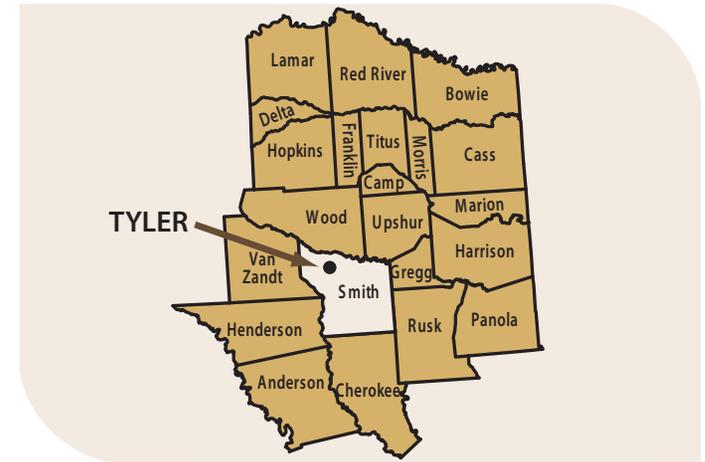




## Smith County

**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, Texas Department of Housing and Community Affairs, Texas Lottery Commission, Texas Department of Insurance, Railroad Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of Assistive and Rehabilitative Services, Department of Aging and

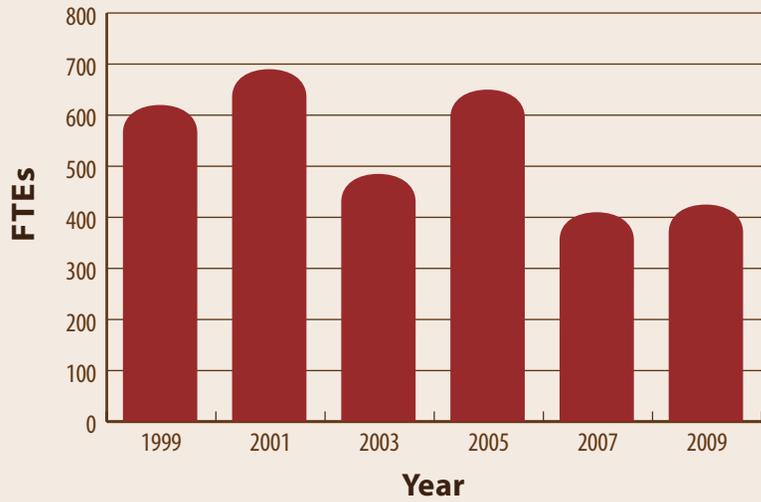
Disability Services, Texas Department of Agriculture, Texas Commission on Environmental Quality, Texas Youth Commission, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



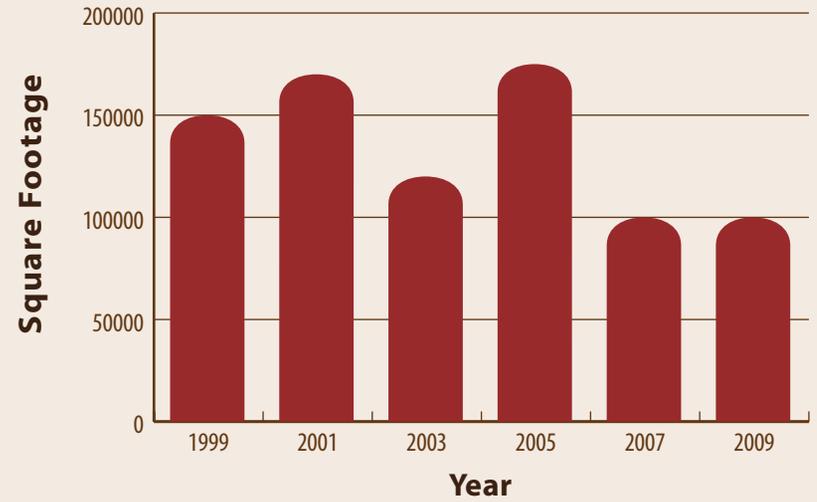
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	674	694	3%
Number of State Agencies	15	15	
Number of State Leases	16	16	
TFC Space Needs (sf)	150,415	145,794	-3%
Total Office Space Owned	45,474	45,474	
Total Office Space Leased	104,941	100,320	
Total Lease Costs	\$1,296,961	\$1,480,723	14%
Average Lease Cost Per Sq. Ft.	\$12.36	\$14.76	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	674	694	3%
Number of State Leases	16	16	
Percent of State Leases Colocated	19%		
TFC Space Needs (sf)	150,415	145,794	-3%
Total Office Space Owned	45,474	45,474	
Total Office Space Leased	104,941	100,320	-4%
Total Lease Cost	\$1,296,961	\$1,480,723	14%
Expiring Leases through FY 2015		94%	
Administrative Office Space:			
Number of Leases / Agencies	13/13	13/13	
Total Office Space Leased	83,149	77,660	
TFC's Average Rent	\$12.36	\$14.76	
Market Rent - Spring 2010	\$14.50		
TFC's Office Market Share	5%		
Vacancy Rate	15%		
Typical Lease Size Available	1,500		
Buildings for Sale > 50,000 Sq. Ft.	0		

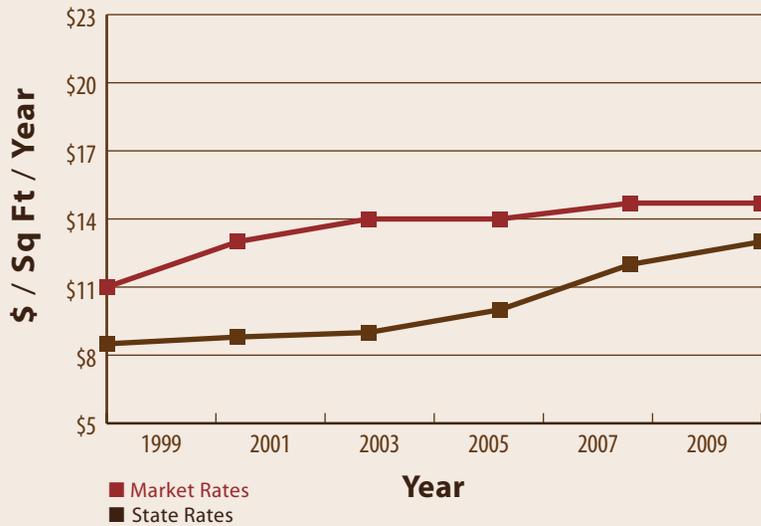
### Total FTEs



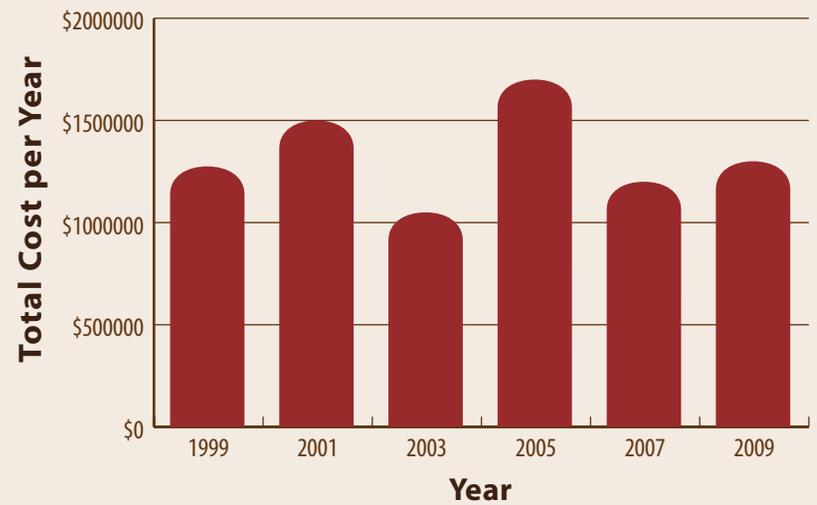
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





## Tarrant County

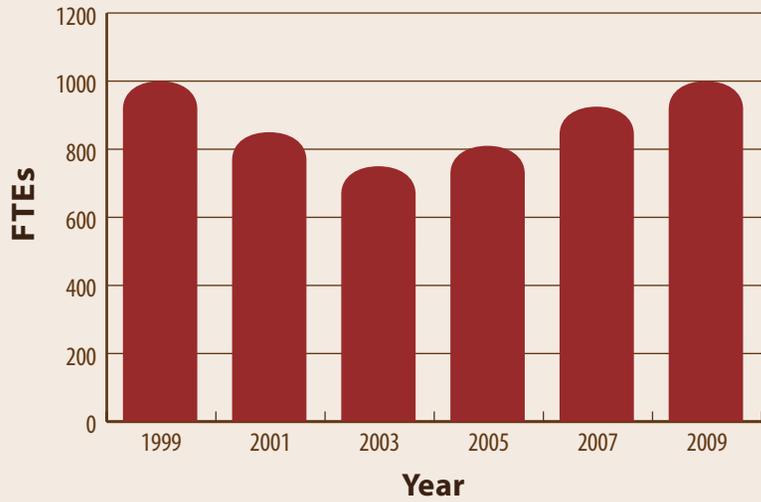
**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, Texas Department of Housing and Community Affairs, State Office of Administrative Hearings, Texas Lottery Commission, Texas Commission on Fire Protection, Texas Department of Banking, Texas Department of Licensing and Regulation, Texas Department of Insurance, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Agriculture, Texas Commission on Environmental Quality, Texas Youth Commission, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



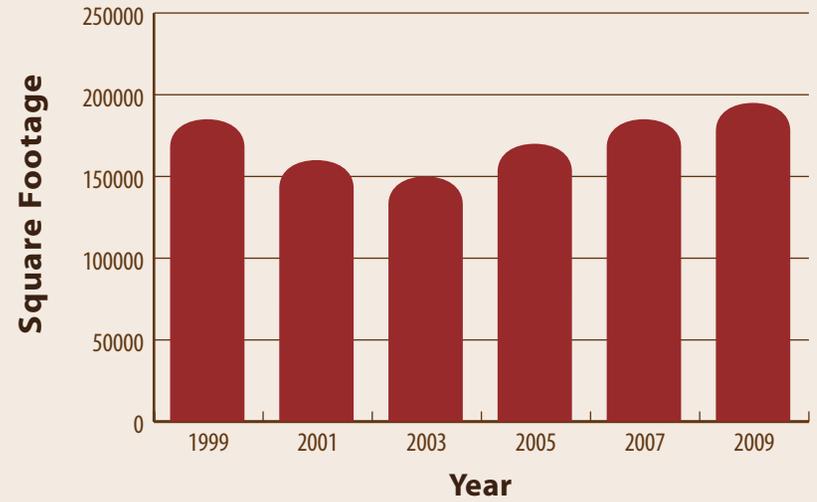
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	2,518	2,574	2%
Number of State Agencies	21	21	
Number of State Leases	36	36	
TFC Space Needs (sf)	478,505	547,616	14%
Total Office Space Owned	54,889	54,889	
Total Office Space Leased	423,616	492,727	
Total Lease Costs	\$6,059,423	\$8,415,777	39%
Average Lease Cost Per Sq. Ft.	\$14.30	\$17.08	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	1,007	1,045	4%
Number of State Leases	12	12	
Percent of State Leases Colocated	17%		
TFC Space Needs (sf)	193,367	231,147	20%
Total Office Space Owned	0	0	
Total Office Space Leased	193,367	231,147	20%
Total Lease Cost	\$2,785,841	\$3,975,728	43%
Expiring Leases through FY 2015		83%	
Administrative Office Space:			
Number of Leases / Agencies	11/7	11/7	
Total Office Space Leased	164,521	201,447	
TFC's Average Rent	\$14.41	\$17.20	
Market Rent - Spring 2010	\$18.00		
TFC's Office Market Share	5%		
Vacancy Rate	14%		
Typical Lease Size Available	3,000		
Buildings for Sale > 50,000 Sq. Ft.	0		

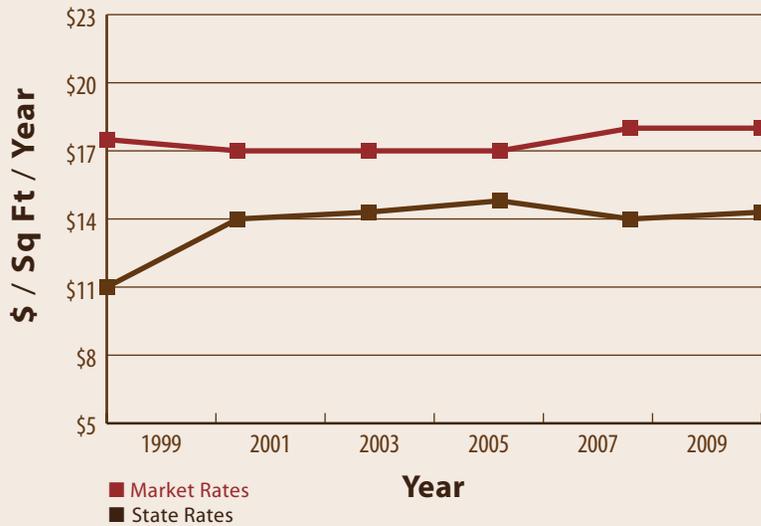
### Total FTEs



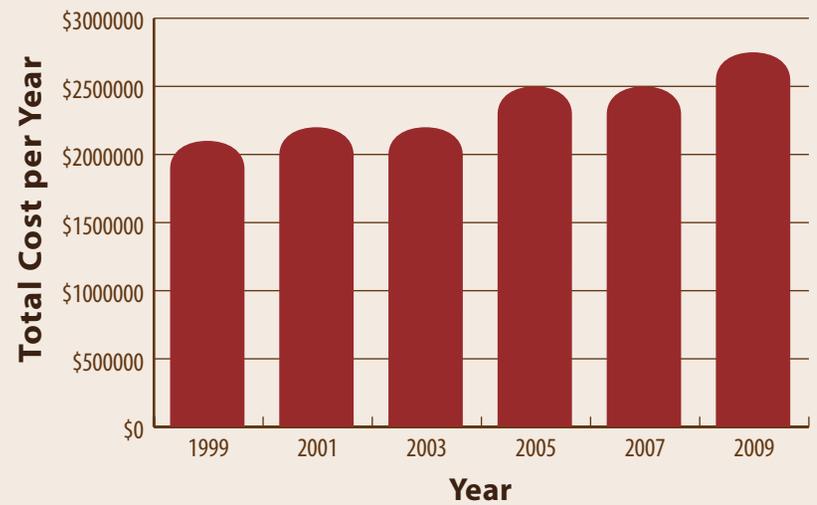
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year

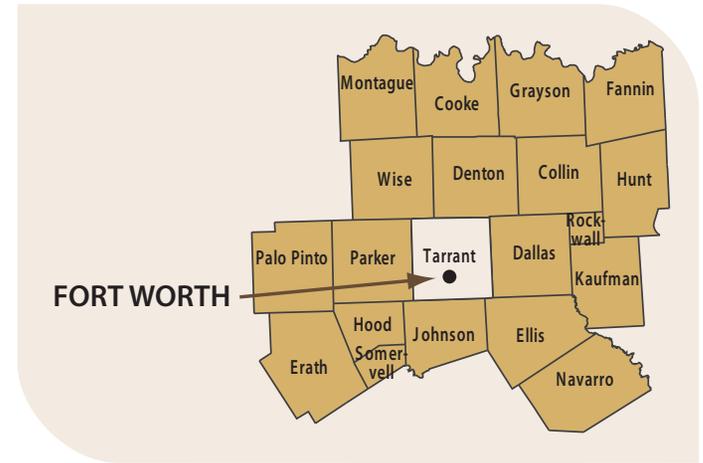




## Tarrant County

**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, Texas Department of Housing and Community Affairs, State Office of Administrative Hearings, Texas Lottery Commission, Texas Commission on Fire Protection, Texas Department of Banking, Texas Department of Licensing and Regulation, Texas Department of Insurance, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Agriculture, Texas Commission on Environmental Quality, Texas Youth Commission, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.

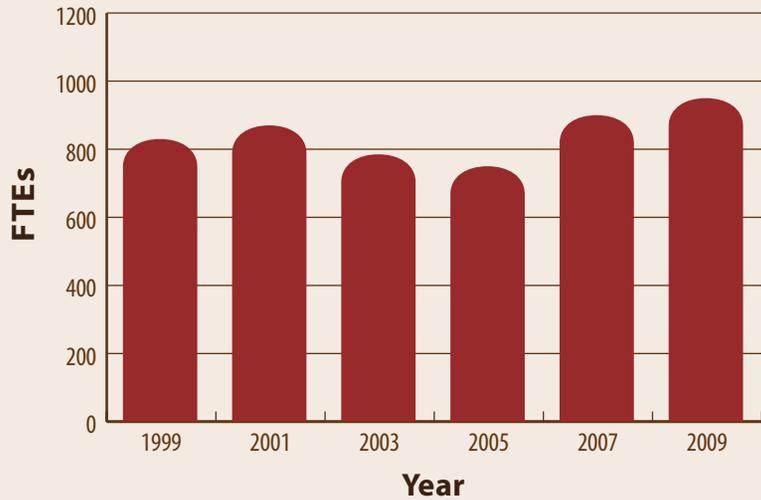
Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Agriculture, Texas Commission on Environmental Quality, Texas Youth Commission, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



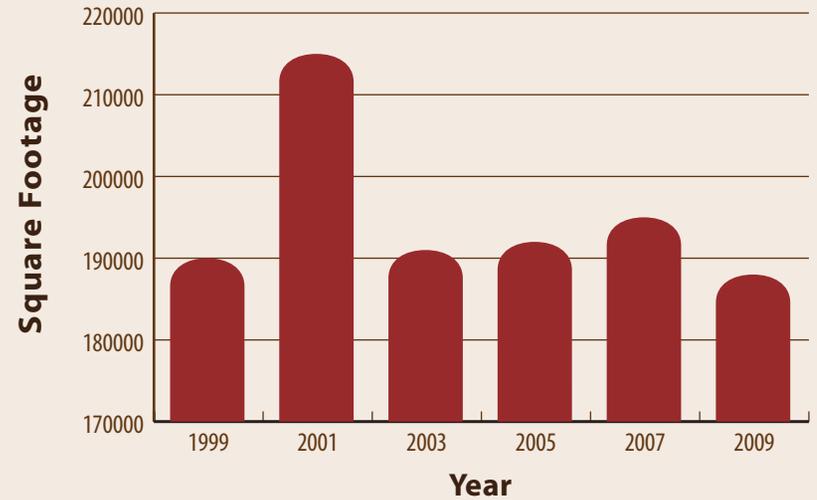
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	2,518	2,574	2%
Number of State Agencies	21	21	
Number of State Leases	36	36	
TFC Space Needs (sf)	478,505	547,616	14%
Total Office Space Owned	54,889	54,889	
Total Office Space Leased	423,616	492,727	
Total Lease Costs	\$6,059,423	\$8,415,777	39%
Average Lease Cost Per Sq. Ft..	\$14.30	\$17.08	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	1,314	1,330	1%
Number of State Leases	18	18	
Percent of State Leases Colocated	33%		
TFC Space Needs (sf)	243,186	272,689	12%
Total Office Space Owned	54,889	54,889	
Total Office Space Leased	188,297	217,800	16%
Total Lease Cost	\$2,697,982	\$3,726,558	38%
Expiring Leases through FY 2015		94%	
Administrative Office Space:			
Number of Leases / Agencies	14/9	14/9	
Total Office Space Leased	110,915	121,220	
TFC's Average Rent	\$14.33	\$17.11	
Market Rent - Spring 2010	\$18.00		
TFC's Office Market Share	2%		
Vacancy Rate	23%		
Typical Lease Size Available	3,000		
Buildings for Sale > 50,000 Sq. Ft.	2		

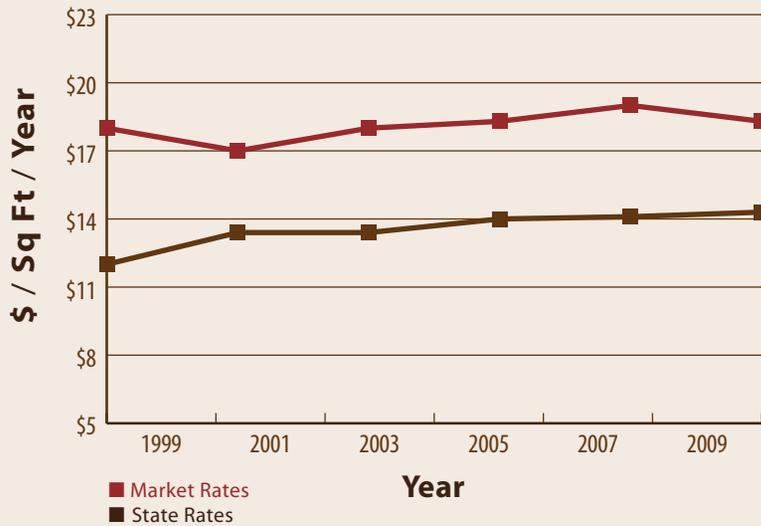
### Total FTEs



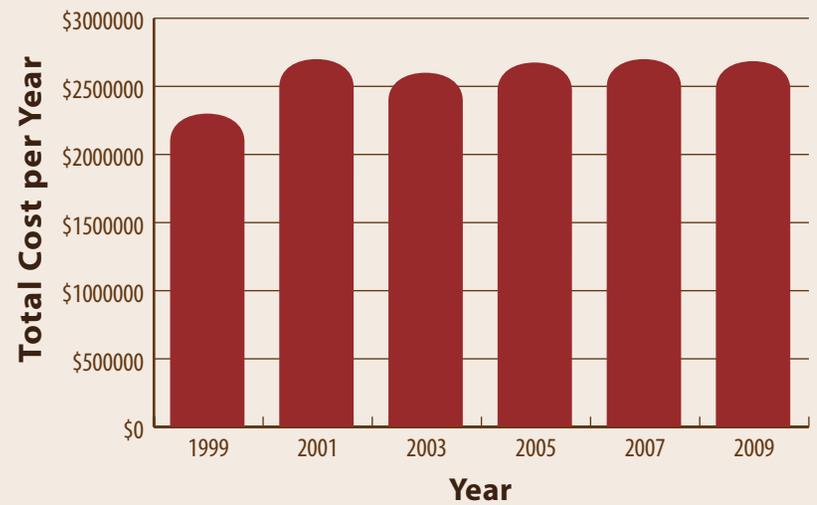
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





## Taylor County

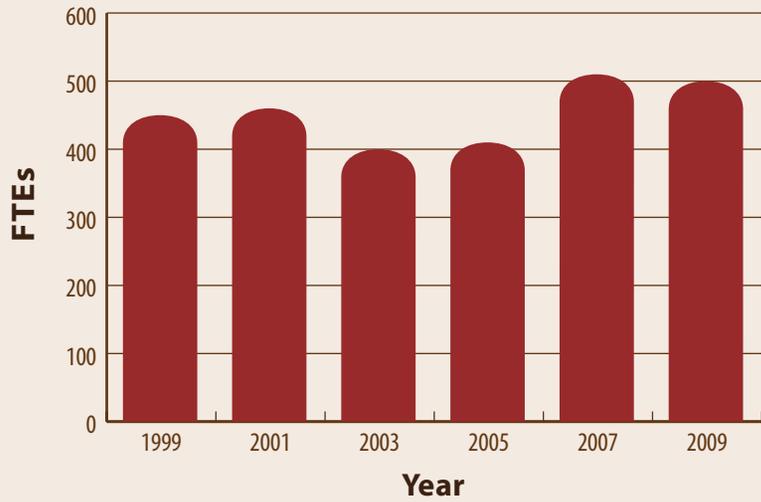
**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, Texas Lottery Commission, Texas Department of Insurance, Railroad Commission, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Commission on Environmental Quality, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



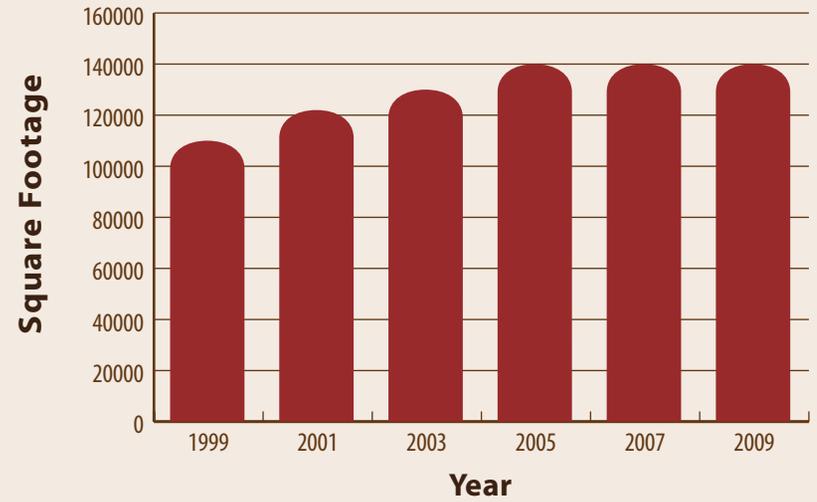
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	510	531	4%
Number of State Agencies	14	14	
Number of State Leases	11	11	
TFC Space Needs (sf)	138,905	116,820	-16%
Total Office Space Owned	0	0	
Total Office Space Leased	138,905	116,820	
Total Lease Costs	\$1,563,349	\$1,570,061	0%
Average Lease Cost Per Sq. Ft..	\$11.25	\$13.44	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	510	531	4%
Number of State Leases	11	11	
Percent of State Leases Colocated	18%		
TFC Space Needs (sf)	138,905	116,820	-16%
Total Office Space Owned	0	0	
Total Office Space Leased	138,905	116,820	-16%
Total Lease Cost	\$1,563,349	\$1,570,061	0%
Expiring Leases through FY 2015		91%	
Administrative Office Space:			
Number of Leases / Agencies	10/13	10/13	
Total Office Space Leased	130,969	110,440	
TFC's Average Rent	\$11.25	\$13.44	
Market Rent - Spring 2010	\$12.00		
TFC's Office Market Share	12%		
Vacancy Rate	20%		
Typical Lease Size Available	2,000		
Buildings for Sale > 50,000 Sq. Ft.	0		

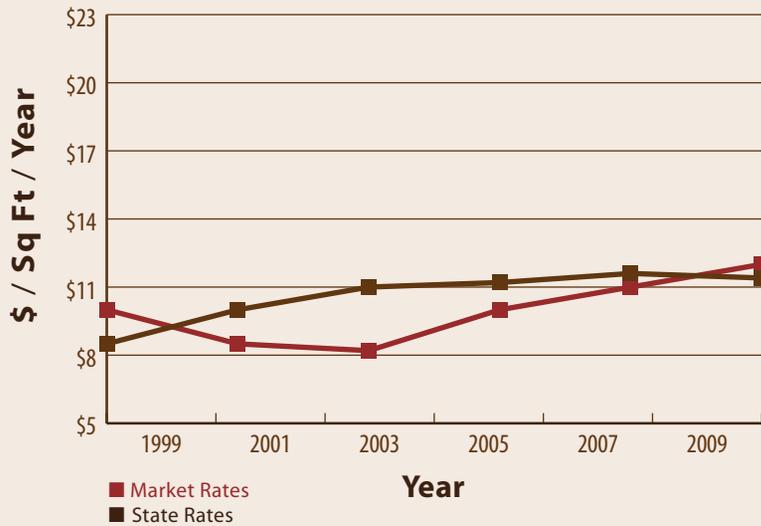
### Total FTEs



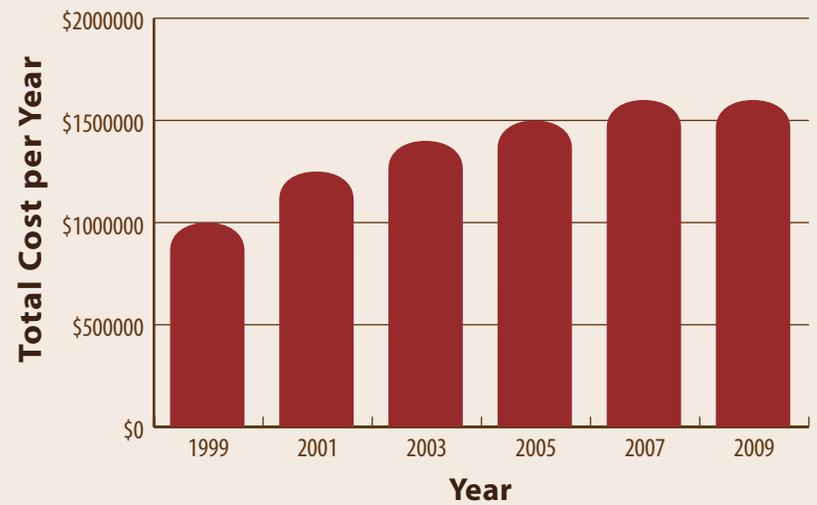
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





## Tom Green County

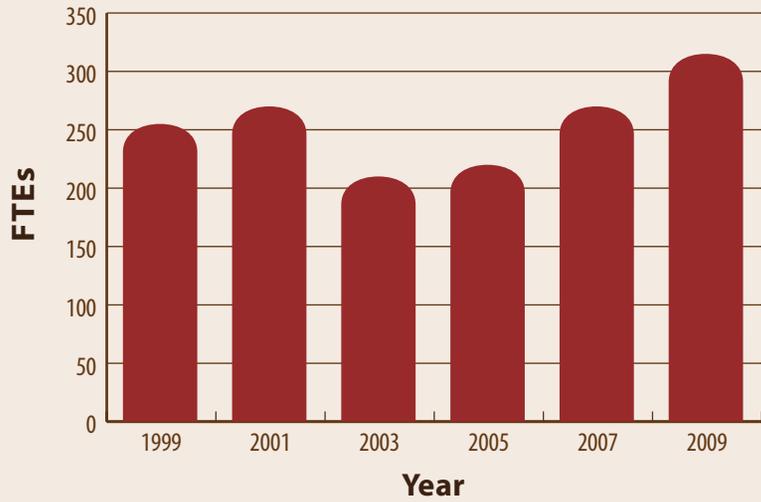
**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, Texas Department of Insurance, Railroad Commission, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Commission on Environmental Quality, Soil and Water Conservation Board, and Texas Department of Criminal Justice.



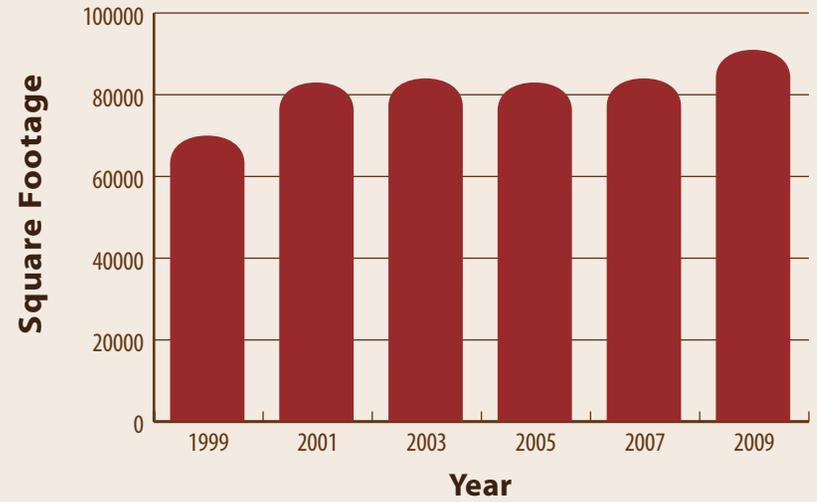
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	317	331	4%
Number of State Agencies	13	13	
Number of State Leases	4	4	
TFC Space Needs (sf)	92,376	72,820	-21%
Total Office Space Owned	0	0	
Total Office Space Leased	92,376	72,820	
Total Lease Costs	\$574,054	\$540,324	-6%
Average Lease Cost Per Sq. Ft.	\$6.21	\$7.42	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	317	331	4%
Number of State Leases	4	4	
Percent of State Leases Colocated	25%		
TFC Space Needs (sf)	92,376	72,820	-21%
Total Office Space Owned	0	0	
Total Office Space Leased	92,376	72,820	-21%
Total Lease Cost	\$574,054	\$540,324	-6%
Expiring Leases through FY 2015		75%	
Administrative Office Space:			
Number of Leases / Agencies	3/11	3/11	
Total Office Space Leased	64,669	57,640	
TFC's Average Rent	\$6.21	\$7.42	
Market Rent - Spring 2010	\$12.00		
TFC's Office Market Share	18%		
Vacancy Rate	12%		
Typical Lease Size Available	2,000		
Buildings for Sale > 50,000 Sq. Ft.	1		

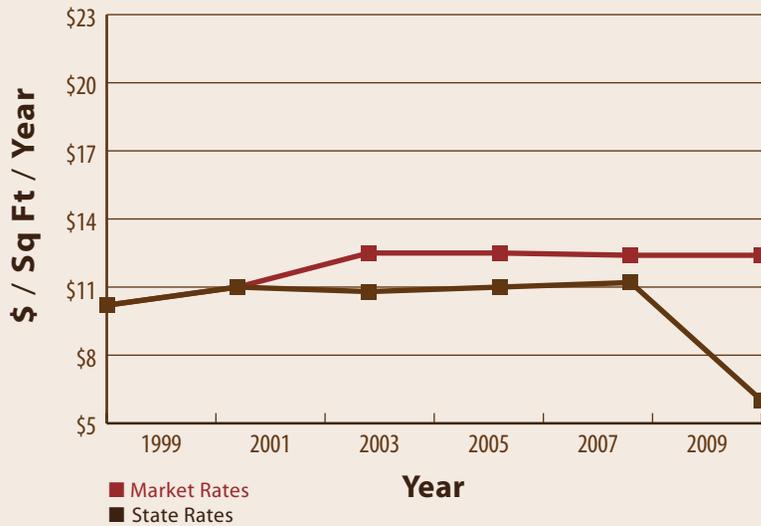
### Total FTEs



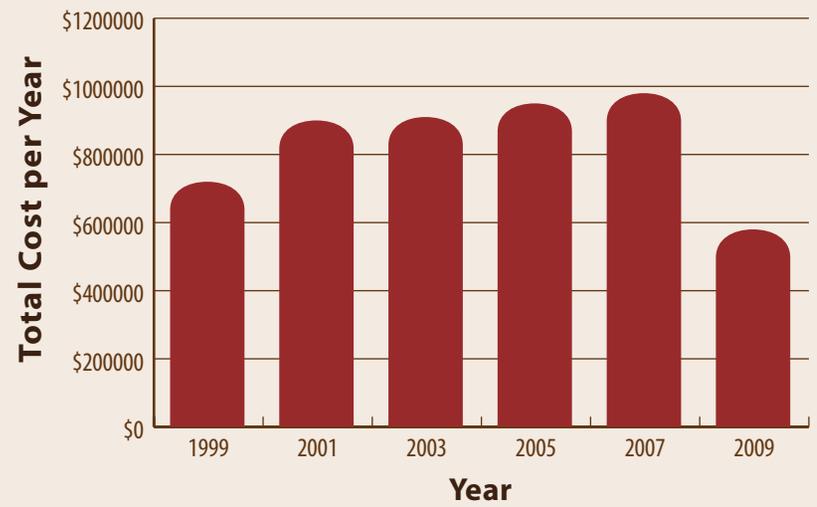
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





## Travis County

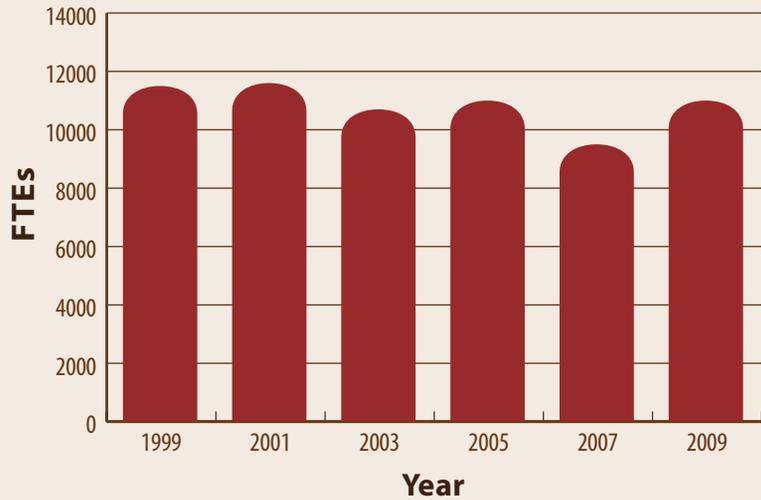
**OCCUPYING STATE AGENCIES:** See Appendix H



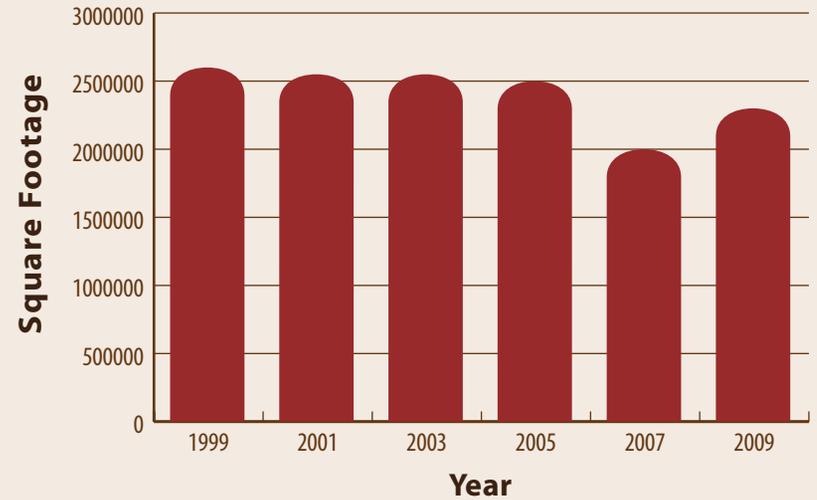
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	28,537	29,193	2%
Number of State Agencies	97	95	
Number of State Leases	56	54	
TFC Space Needs (sf)	6,391,340	6,496,033	2%
Total Office Space Owned	4,078,876	4,078,876	
Total Office Space Leased	2,312,464	2,417,157	
Total Lease Costs	\$37,648,509	\$46,989,532	25%
Average Lease Cost Per Sq. Ft.	\$16.28	\$19.44	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	28,537	29,193	2%
Number of State Leases	56	54	
Percent of State Leases Colocated	30%		
TFC Space Needs (sf)	6,391,340	6,496,033	2%
Total Office Space Owned	4,078,876	4,078,876	
Total Office Space Leased	2,312,464	2,417,157	5%
Total Lease Cost	\$37,648,509	\$46,989,532	25%
Expiring Leases through FY 2015		71%	
Administrative Office Space:			
Number of Leases / Agencies	52/30	50/28	
Total Office Space Leased	2,236,470	2,360,397	
TFC's Average Rent	\$16.28	\$19.44	
Market Rent - Spring 2010	\$21.00		
TFC's Office Market Share	9%		
Vacancy Rate	20%		
Typical Lease Size Available	10,000		
Buildings for Sale > 50,000 Sq. Ft.	7		

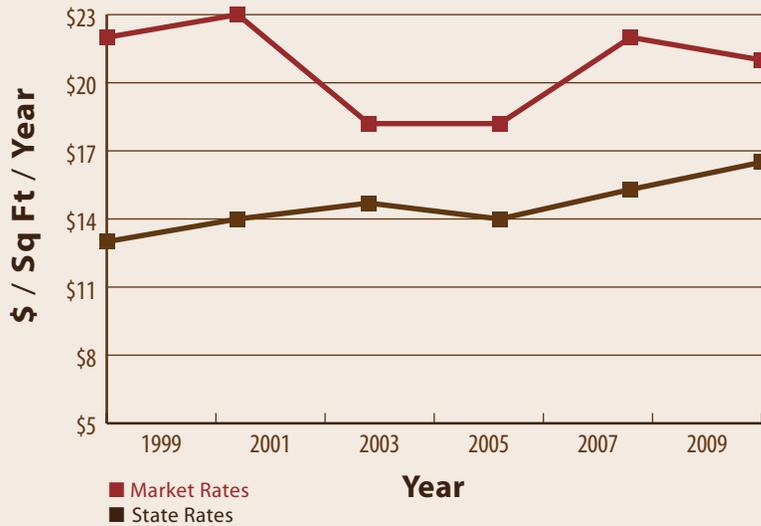
### Total FTEs



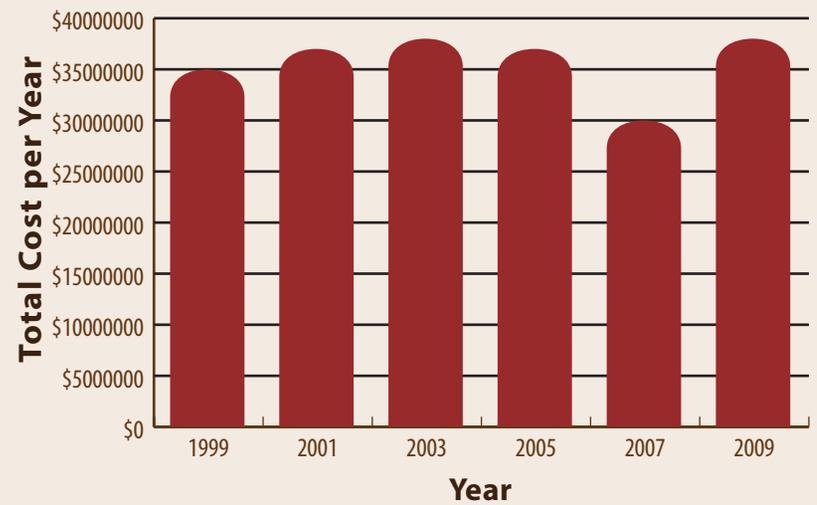
### Total Leased Office Space



### State vs Market Rent Rates



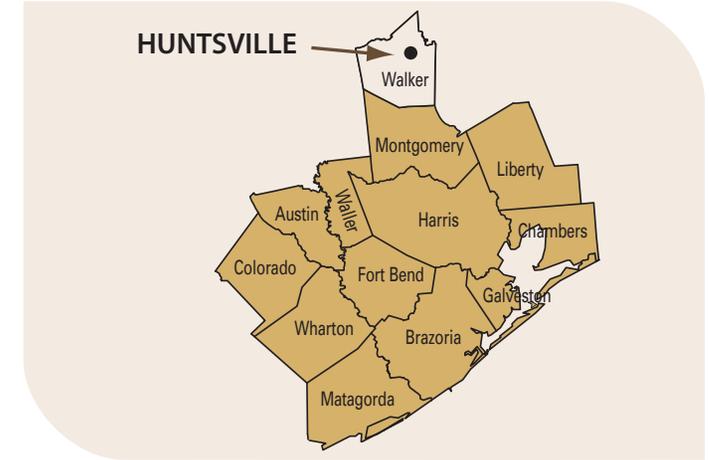
### Lease Cost per Year





## Walker County

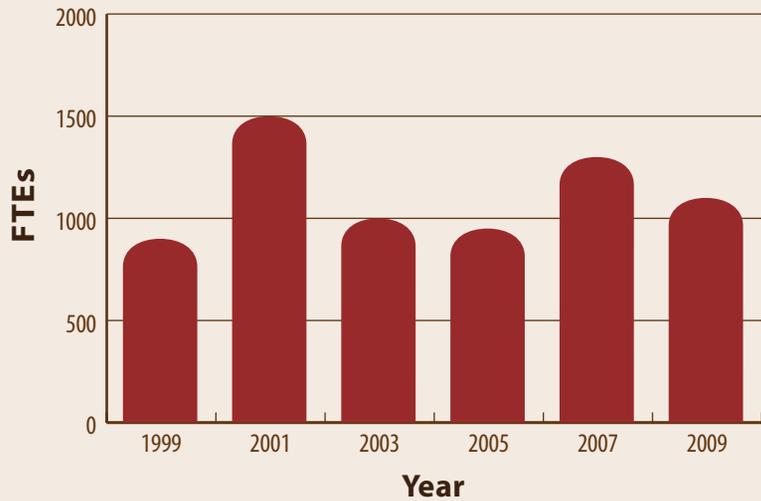
**OCCUPYING STATE AGENCIES:** Health and Human Services Commission, Department of Family and Protective Services, Department of Assistive and Rehabilitative Services, and Texas Department of Criminal Justice.



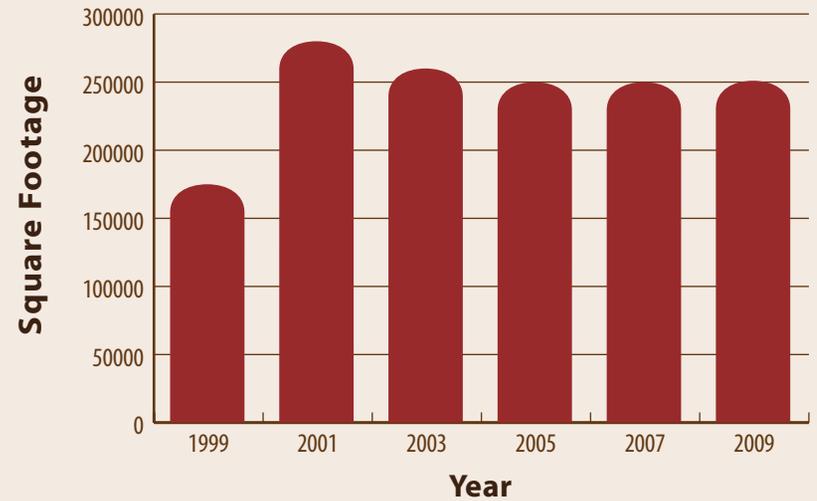
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	1,117	1,117	0%
Number of State Agencies	4	4	
Number of State Leases	16	16	
TFC Space Needs (sf)	255,103	247,245	-3%
Total Office Space Owned	0	0	
Total Office Space Leased	255,103	247,245	
Total Lease Costs	\$3,425,869	\$3,965,810	16%
Average Lease Cost Per Sq. Ft..	\$13.43	\$16.04	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	1,117	1,117	0%
Number of State Leases	16	16	
Percent of State Leases Colocated	6%		
TFC Space Needs (sf)	255,103	247,245	-3%
Total Office Space Owned	0	0	
Total Office Space Leased	255,103	247,245	-3%
Total Lease Cost	\$3,425,869	\$3,965,810	16%
Expiring Leases through FY 2015		100%	
Administrative Office Space:			
Number of Leases / Agencies	14/3	14/3	
Total Office Space Leased	246,278	240,865	
TFC's Average Rent	\$13.43	\$16.04	
Market Rent - Spring 2010	\$14.00		
TFC's Office Market Share	49%		
Vacancy Rate	18%		
Typical Lease Size Available	1,200		
Buildings for Sale > 50,000 Sq. Ft.	0		

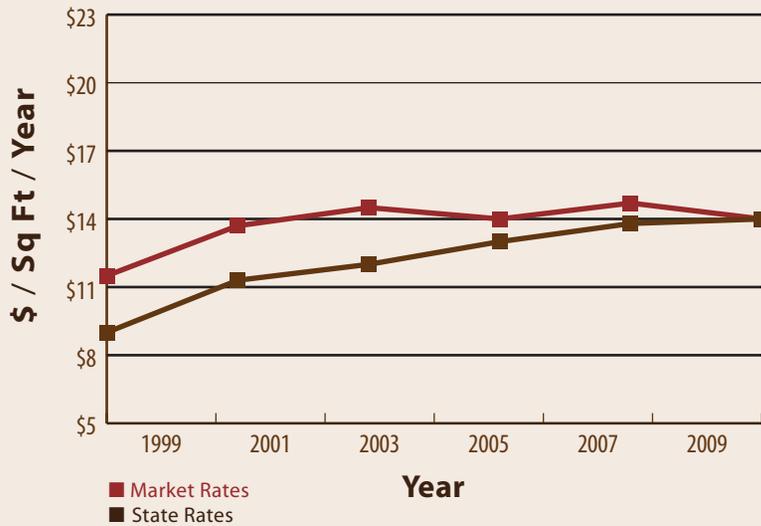
### Total FTEs



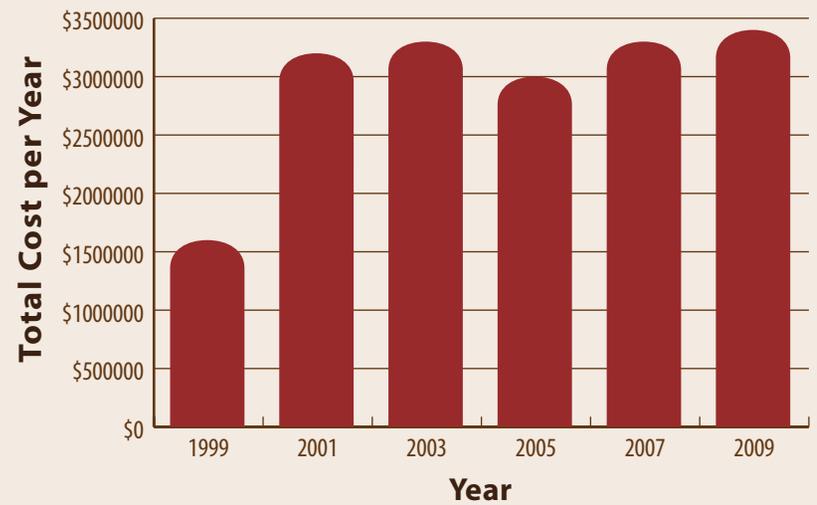
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





## Webb County

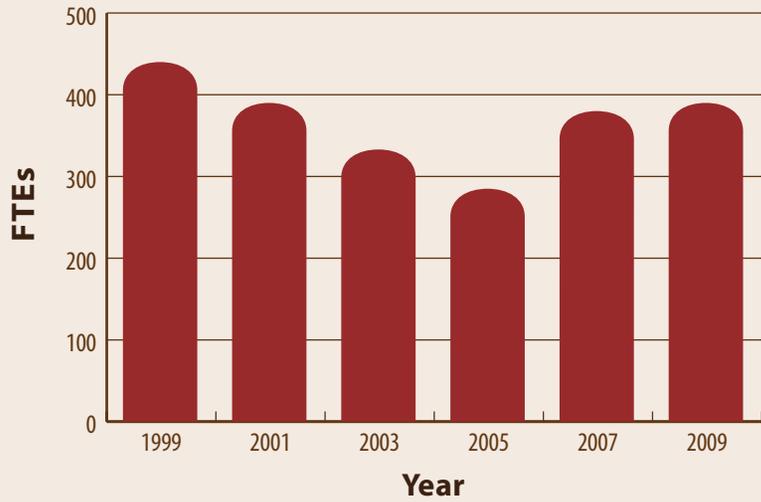
**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, Texas Lottery Commission, Texas Department of Insurance, Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Commission on Environmental Quality, and Texas Department of Criminal Justice.



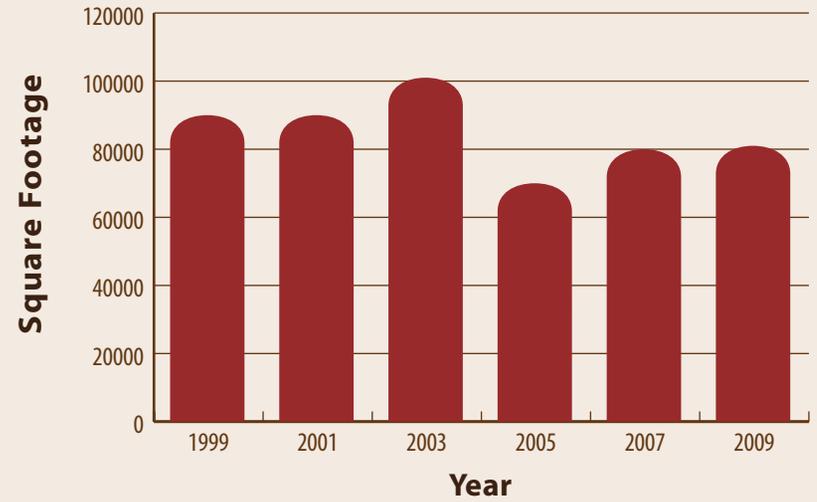
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	390	405	4%
Number of State Agencies	11	11	
Number of State Leases	10	10	
TFC Space Needs (sf)	83,455	89,100	7%
Total Office Space Owned	0	0	
Total Office Space Leased	83,455	89,100	
Total Lease Costs	\$1,334,989	\$1,701,810	27%
Average Lease Cost Per Sq. Ft.	\$16.00	\$19.10	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	390	405	4%
Number of State Leases	10	10	
Percent of State Leases Colocated	20%		
TFC Space Needs (sf)	83,455	89,100	7%
Total Office Space Owned	0	0	
Total Office Space Leased	83,455	89,100	7%
Total Lease Cost	\$1,334,989	\$1,701,810	27%
Expiring Leases through FY 2015		70%	
Administrative Office Space:			
Number of Leases / Agencies	8/9	8/9	
Total Office Space Leased	56,692	58,080	
TFC's Average Rent	\$16.00	\$19.10	
Market Rent - Spring 2010	\$17.00		
TFC's Office Market Share	7%		
Vacancy Rate	25%		
Typical Lease Size Available	1,500		
Buildings for Sale > 50,000 Sq. Ft.	0		

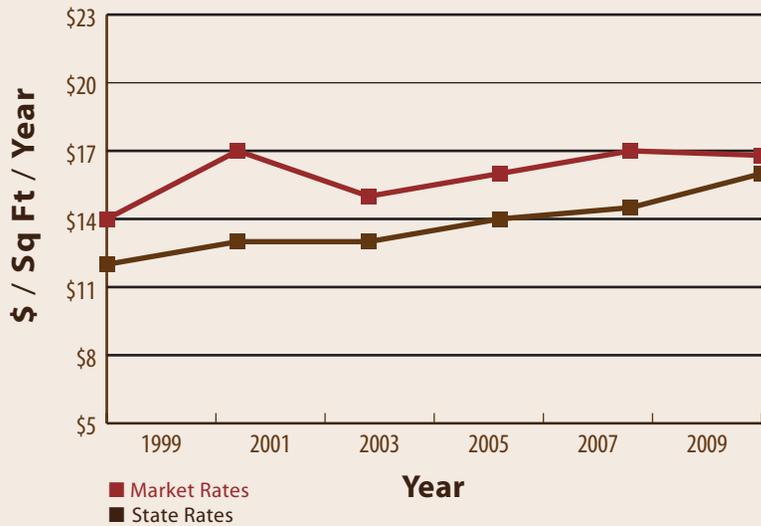
### Total FTEs



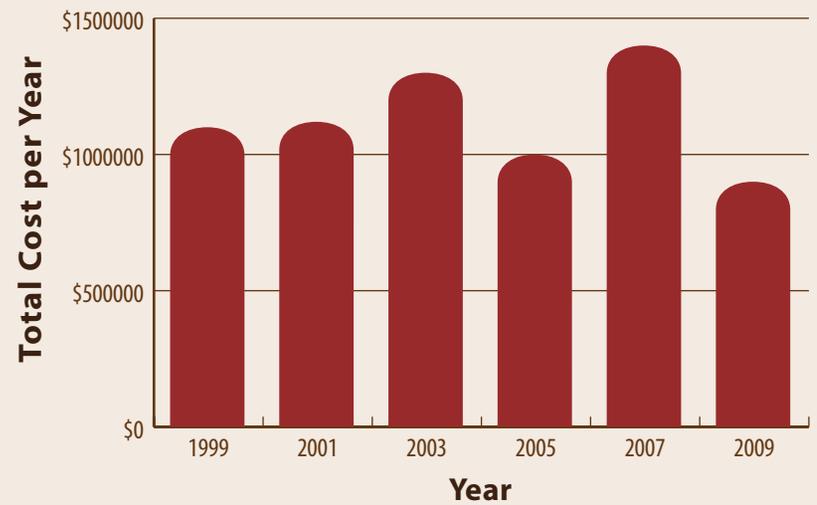
### Total Leased Office Space



### State vs Market Rent Rates



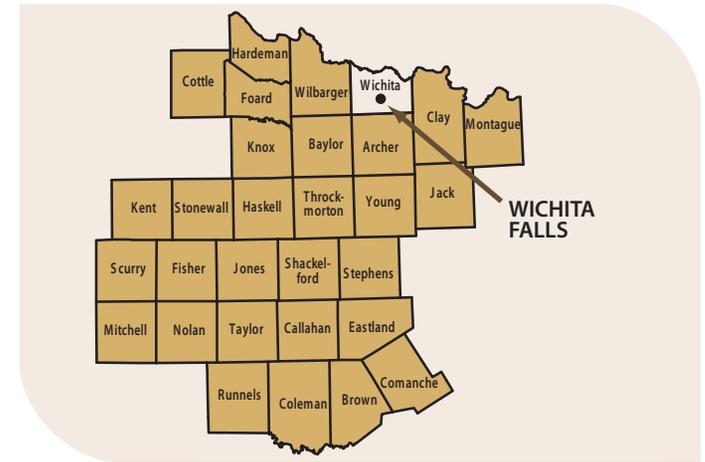
### Lease Cost per Year





## Wichita County

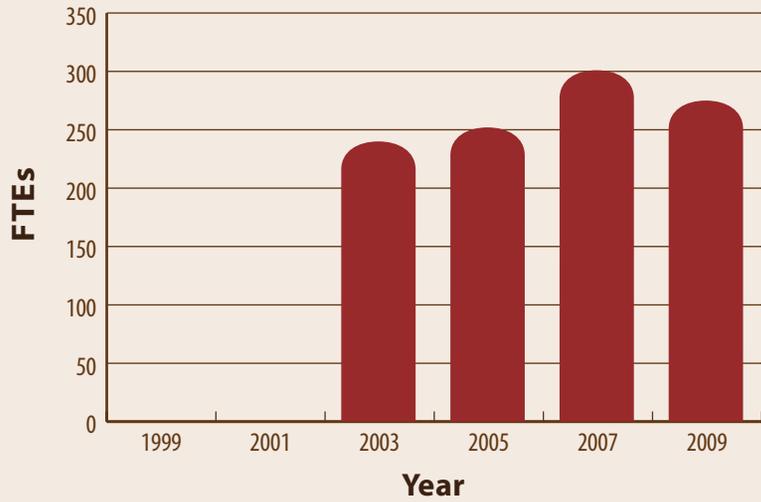
**OCCUPYING STATE AGENCIES:** Office of the Attorney General, Comptroller of Public Accounts, Texas Department of Insurance, Railroad Commission, Texas Alcoholic Beverage Commission, Health and Human Services Commission, Department of Family and Protective Services, Department of Assistive and Rehabilitative Services, Department of Aging and Disability Services, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department.



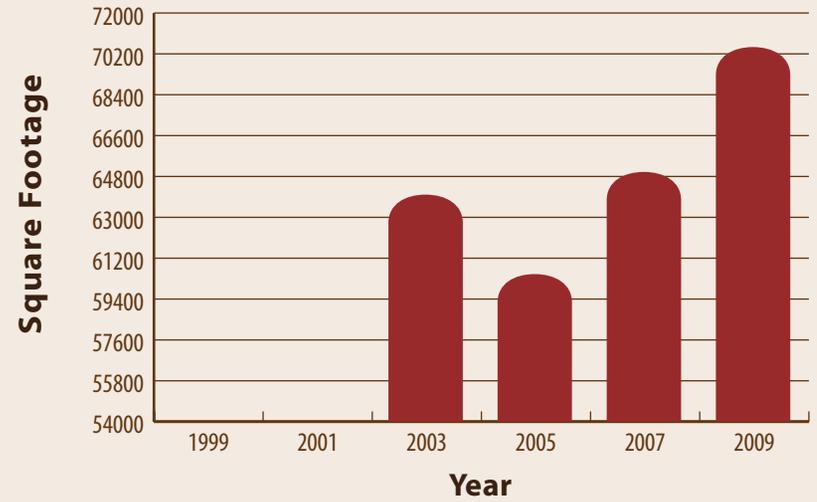
City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	289	302	4%
Number of State Agencies	11	11	
Number of State Leases	9	9	
TFC Space Needs (sf)	70,331	66,440	-6%
Total Office Space Owned	0	0	
Total Office Space Leased	70,331	66,440	
Total Lease Costs	\$895,345	\$1,009,888	13%
Average Lease Cost Per Sq. Ft..	\$12.73	\$15.20	

City Abstract - Temple	Sept. 2009	Sept. 2015	% Change
State Employees	289	302	4%
Number of State Leases	9	9	
Percent of State Leases Colocated	22%		
TFC Space Needs (sf)	70,331	66,440	-6%
Total Office Space Owned	0	0	
Total Office Space Leased	70,331	66,440	-6%
Total Lease Cost	\$895,345	\$1,009,888	13%
Expiring Leases through FY 2015		89%	
Administrative Office Space:			
Number of Leases / Agencies	8/10	8/10	
Total Office Space Leased	66,804	62,920	
TFC's Average Rent	\$12.73	\$15.20	
Market Rent - Spring 2010	\$12.00		
TFC's Office Market Share	8%		
Vacancy Rate	22%		
Typical Lease Size Available	2,000		
Buildings for Sale > 50,000 Sq. Ft.	1		

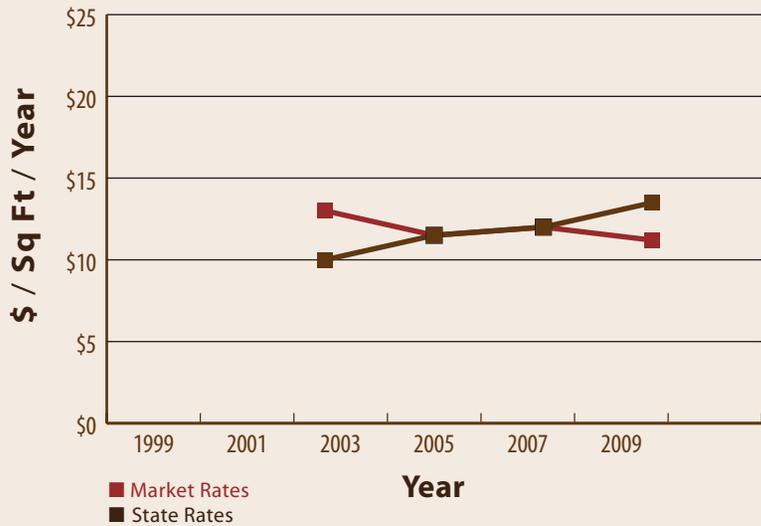
### Total FTEs



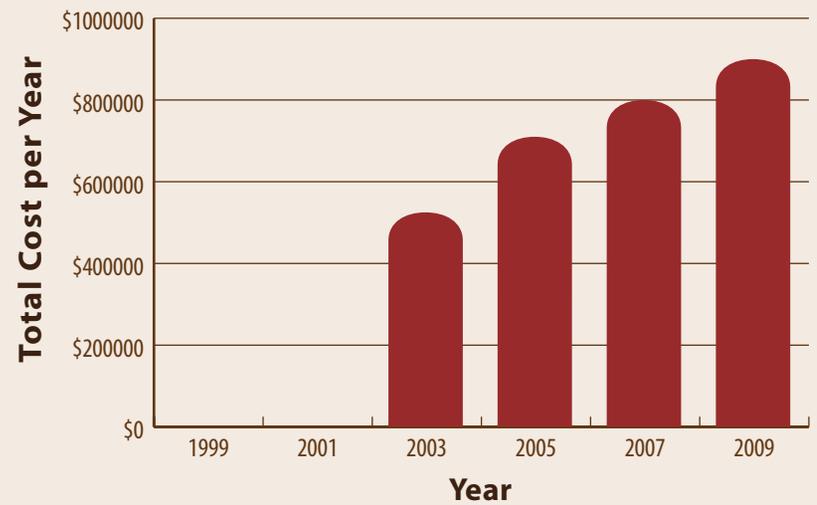
### Total Leased Office Space



### State vs Market Rent Rates



### Lease Cost per Year





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# Appendix H

Funding for deferred maintenance, in the amount of \$82.5 million, is a major exceptional item request in TFC's Legislative Appropriations Request (LAR) for FY2012-2013. In 2006, TFC performed a comprehensive facility condition assessment that identified an extensive backlog of repairs and renovations for all state-owned office buildings maintained by the agency. Based on the assessment, TFC proposed a 10-year deferred maintenance program in excess of \$380 million to substantially reduce the backlog that existed at that time and to improve the overall condition of the building inventory managed by the agency. The funding request for the program was not fully appropriated and the original program is no longer on track. As a result, the repairs and renovations previously projected for future biennia have now reached a more critical level.

This extensive backlog represents more than the sum of past annual maintenance deficits. It also includes a continuous, compounding effect of postponing maintenance from one year to the next. This compounding effect is similar to the interest on debt and results in an exponential escalation in the cost of maintenance and repairs.

If needed maintenance is not completed in one year, then the costs of maintenance, repair or replacement are significantly higher in subsequent years. Asset management studies have shown that if routine preventative maintenance is not performed, then repairs equaling five times the maintenance costs are generally required. In turn, if the repairs are not completed, expenses for major repair, renovation or replacement can be five times the repair costs. As the rate of deterioration accelerates, it reaches the point where repairs are no longer possible or financially prudent considering factors such as the total value of the asset and the projected remaining life and planned use of the asset.

Postponing maintenance compounds not only the cost of deferred maintenance but also the volume as well. Facilities are in a constant state of deterioration and while identified problems are being corrected,

other problems occur, increasing the overall deterioration of the inventory of assets. Additional funding will slow the rate of increase in the backlog but will not halt it. The sheer volume of state assets managed by TFC and the critical level of many facilities means that, even with an infusion of needed funding, the backlog will continue to increase. This problem is not unique to TFC or the State of Texas; it is faced by governments at all levels throughout the country, by institutions of public and higher education, and private asset managers. TFC will continue to implement industry-standard best practices and decision-support tools to address this backlog as effectively as possible.

The current exceptional item request in TFC's LAR for deferred maintenance is based on the 2006 facility condition assessment that has been updated annually to reflect current construction costs as well as with data from subsequent architectural and engineering evaluations. In light of the State's current budget constraints, the deferred maintenance funding request for FY2012-2013 includes only those projects necessary to reduce the risk to continuity of operations and/or health and life safety concerns (Health & Safety Projects). It should be noted, however, that continued deferral of projects that are currently less critical will result in an increase in the volume and cost of the total backlog as well as the critical level of numerous projects. As funds are appropriated, TFC will continue to update the condition assessment information and make adjustments needed to implement the most effective strategy for reducing the backlog of deferred maintenance projects.

## Capital Budget Category – Repairs or Rehabilitation

Project Description	Health & Safety	New Construction	2012-2013 GO Bonds Requested	2012-2013 Estimated Debt Service
G. J. Sutton Building (GJS). TFC is currently conducting a study to determine the cost of renovating GJS. It is anticipated that the cost of adequately renovating this building will greatly exceed the value of the building. As such, TFC is requesting funds to improve the space and upgrade or replace outdated systems, including heating, ventilation, and air conditioning (HVAC), fire, and security, to a level that is safe for the tenants, until such time as the study determines whether TFC should renovate the building or replace the building. This project is considered a Health & Safety Project.	\$2,000,000		\$2,000,000	\$295,685
Department of State Health Services Tower Building (DSHST). TFC is currently conducting a study to determine the cost of renovating DSHST. It is anticipated that the cost of adequately renovating this building will greatly exceed the value of the building. As such, TFC is requesting funds to improve the space and upgrade or replace outdated systems, including fire suppression, fire alarm, egress, electrical systems, and elevators, to a level that is safe for the tenants, until such time as the study determines whether TFC will recommend renovation or replacement of the building. This project is considered a Health & Safety Project.	\$3,426,100		\$3,426,100	\$443,527
William P. Hobby Building (WPH). WPH has an inefficient and outdated HVAC system and its fire systems need upgrading. With respect to the HVAC, part of the building is cooled with Austin Energy chilled water, and the rest is cooled through the building's outdated systems. The current system is inefficient, requires constant repairs, and does not meet the needs of the tenants. The repairs to the HVAC system will take place in two phases. The \$5 million in funds being requested are for Phase I. TFC anticipates requesting additional funds in the next biennium to complete the project. Although the two phases are necessary to complete the project, neither is dependent on the other. The upgrade to the fire systems are based on recommendations from the State Fire Marshall's Office. The fire systems include suppression, alarm, egress, and electrical systems. The fire system component of this project costs \$2,218,106 and is considered a Health & Safety Project. The health and safety and deferred maintenance aspects of this project are combined to reduce mobilization and tear down costs. The deferred maintenance component has the potential to substantially reduce this building's energy consumption.	\$2,218,106		\$7,218,106	\$1,064,466
T. J. Rusk Building (TJR). The TJR project will upgrade HVAC, plumbing, and fire systems. The electrical and security component of this project cost \$708,202 and is considered a Health & Safety Project. The health and safety and deferred maintenance aspects of this project are combined to reduce mobilization and tear down costs. The deferred maintenance component of this project has the potential to substantially reduce this building's energy consumption.	\$1,120,000		\$4,862,079	\$724,428
Capitol Complex Central Power Plant Monitoring Station (SHBPP). SHBPP is located in the Sam Houston Building. TFC uses this station to monitor all HVAC, electrical, fire, and security activities that occur on a daily basis. Currently, the monitoring station has limited reliability and redundancy features. In other words, should the HVAC or electrical systems fail at the Sam Houston Building, TFC would not have the ability to monitor these critical life and safety systems. This project would provide HVAC and electrical redundancy to the monitoring station. This project will also fund a redundant emergency monitoring station in the John H. Winters Building for business continuity purposes. The project is considered a Health & Safety Project because of the systems that are affected should the data center shutdown due to a failure of the electrical and/or HVAC systems.	\$2,280,908		\$2,280,908	\$340,038

## Capital Budget Category – Repairs or Rehabilitation

Project Description	Health & Safety	New Construction	2012-2013 GO Bonds Requested	2012-2013 Estimated Debt Service
HVAC Conditioned Air Distribution Cleaning (Duct Cleaning). Currently, Duct Cleaning is inadequate in TFC's state-owned buildings. There is no current program to adequately clean the air conditioning ducts in the buildings on TFC's inventory. TFC is conducting a study to determine the indoor air quality in its buildings. This study will identify the most critical buildings and create a sustainable program that TFC can implement. The \$2,809,000 being requested for this project are the funds required to implement this program. They will be used to create the program and begin Duct Cleaning in critical buildings identified through the study. This project is considered a Health & Safety Project. The project has the potential to moderately reduce energy consumption.	\$2,809,000		\$2,809,000	\$413,959
Pedestrian Travel Ways. This project consolidates the necessary repairs to pedestrian travel ways in various buildings, such as sidewalks and carpeting. This project is considered a Health & Safety Project.	\$807,985		\$807,985	\$147,842
Fire Suppression Systems. This project will address fire suppression systems deficiencies that were discovered during 2010 inspections in various buildings. This project is considered a Health & Safety Project.	\$2,000,000		\$2,000,000	\$295,685
William P. Clements Building (WPC) Fire Systems. This project will upgrade fire systems in WPC based on recommendations from the State Fire Marshall's Office. The systems include suppression, alarm, egress, and electrical systems. This project is considered a Health & Safety Project.	\$2,053,828		\$2,053,828	\$310,469
William B. Travis Building (WBT) Fire Systems. This project will upgrade fire systems in WBT based on recommendations from the State Fire Marshall's Office. The systems include suppression, alarm, egress, and electrical systems. This project is considered a Health & Safety Project.	\$4,583,500		\$4,583,500	\$680,075
Brown Heatly Building (BHB) Fire Systems. This project will upgrade fire systems in BHB based on recommendations from the State Fire Marshall's Office. The systems include suppression, alarm, egress, and electrical systems. This project is considered a Health & Safety Project.	\$2,479,673		\$2,479,673	\$369,606
Price Daniel, Sr. Building (PDB). This project will upgrade HVAC, fire, and security systems in PDB. The upgrade to the fire systems are based on recommendations from the State Fire Marshall's Office. The fire systems include suppression, alarm, egress, and electrical systems. The fire and electrical system components of this project cost \$1,100,000 and are considered a Health & Safety Project. The health and safety and deferred maintenance aspects of this project are combined to reduce mobilization and tear down costs. The deferred maintenance component of this project has the potential to substantially reduce this building's energy consumption.	\$1,100,000		\$3,750,000	\$561,801

## Capital Budget Category – Repairs or Rehabilitation

Project Description	Health & Safety	New Construction	2012-2013 GO Bonds Requested	2012-2013 Estimated Debt Service
<p>John H. Winters Building (JHW). JHW has an inefficient and outdated HVAC system and its fire systems need upgrading. JHW houses four data centers that support many mission critical client services for the Health and Human Services Commission (HHSC) agencies. SE Data Center – this center includes 28 mission critical systems supporting HHSC, Department of Aging and Disability Services, the Department of Family and Protective Services client service operations, the County Information Resource Administration, Maximus, the federal government, and HHSC communications network. SW Data Center – includes the vendor drug system and 20 other mission critical systems that support agency operations. This center will soon include the WIC development and testing systems and will include the production systems currently housed off-site. NW Data Center – houses high profile/high priority mission critical servers supporting 33 applications that support state hospitals, state supported living centers, and pharmacies. TIERS Data Center – Houses mission critical applications for eligibility determination services for clients statewide. The HHSC agencies rely on automation and telecommunications equipment and applications in the JHW Data Center to accomplish their legislatively directed responsibilities to serve Texans in need. Maintaining this facility at a high level of operation and continuing to improve and update its infrastructure, will directly impact the ability of the HHSC agencies to respond to changes in client needs, program delivery methods, and direction from the legislature. Should the HVAC or electrical systems fail at JHW, HHSC would be exposed to security vulnerabilities and delays. This project would provide HVAC and electrical redundancy to JHW, as well as provide necessary upgrades to the fire alarm, fire suppression system, and egress of the building, as recommended by the State Fire Marshall's Office. The repairs to this building will take place in two phases. This is Phase I. TFC anticipates requesting additional funds in the next biennium to complete the project. Although the two phases are necessary to complete the project, neither is dependent on the other. The entire project is considered a Health &amp; Safety Project because of the systems that are affected should the data center shutdown due to a failure of the electrical and/or HVAC systems.</p>	\$6,784,000	-	\$6,784,000	\$1,005,329
<p>Disaster Recovery Operations Center (DROC). DROC is operated by the Department of Information Resources (DIR). Its data center serves as the State's internet service provider. The data center also maintains state security operations for DIR customers. Currently, the data center has outdated equipment and limited reliability and redundancy features. In other words, should the outdated HVAC or electrical systems fail at DROC, DIR would not have the ability to provide internet service for the State of Texas, affecting a number of systems including critical life and safety systems. This project would provide HVAC and electrical redundancy to DROC, as well as improve the fire suppression system. The project is considered a Health &amp; Safety Project because of the systems that are affected should the data center shutdown due to a failure of the electrical and/or HVAC systems. The project has the potential to substantially reduce this building's energy consumption.</p>	\$3,952,876		\$3,952,876	\$591,370
<p>Promontory Point Building (PROM). PROM is a building that has warehouse space, office space, and a data center. This project will retrofit the space to better utilize the warehouse and allow agencies currently using leased warehouse space to move to this state-owned space. This project will also upgrade or replace outdated systems, including fire, electrical, HVAC, and controls. The health and safety aspect of this project is the fire and electrical, at a cost of \$1,316,272. The health and safety and deferred maintenance aspects of this project are combined to reduce mobilization and tear down costs. The deferred maintenance component of this project has the potential to produce savings from moving state agencies out of leased space and into state-owned space.</p>	\$1,316,272		\$4,316,272	\$635,723

## Capital Budget Category – Repairs or Rehabilitation

Project Description	Health & Safety	New Construction	2012-2013 GO Bonds Requested	2012-2013 Estimated Debt Service
Lyndon B. Johnson Building (LBJ). LBJ has an inefficient and outdated HVAC system, the controls need to be updated to direct digital controls, and its fire systems need upgrading. The repairs to HVAC will take place in two phases. The \$1 million in funds being requested are for Phase I. TFC anticipates requesting additional funds in the next biennium to complete the project. Although the two phases are necessary to complete the project, neither is dependent on the other. The upgrade to the fire systems is based on recommendations from the State Fire Marshall's Office. The fire systems include suppression, alarm, egress, and electrical systems. The fire system component of this project costs \$4,142,432 and is considered a Health & Safety Project. The health and safety and deferred maintenance aspects of this project are combined to reduce mobilization and tear down costs. The deferred maintenance component of this project has the potential to reduce this building's energy consumption.	\$4,142,432		\$5,142,432	\$753,997
Department of Assistive and Rehabilitative Services Building (DARS). This project will upgrade HVAC systems, controls, and fire systems in DARS. The upgrades to the fire systems, at a cost of \$243,323, is considered a Health & Safety Project. The health and safety and deferred maintenance aspects of this project are combined to reduce mobilization and tear down costs. The deferred maintenance component of this project has the potential to substantially reduce this building's energy consumption.	\$243,323		\$3,493,323	\$517,449
Sam Houston Building (SHB). This project will upgrade HVAC, plumbing, and fire systems in SHB. The upgrade to the fire systems are based on recommendations from the State Fire Marshall's Office. The fire systems include suppression, alarm, egress, and electrical systems. The fire system component of this project costs \$575,331 and is considered a Health & Safety Project. The health and safety and deferred maintenance aspects of this project are combined to reduce mobilization and tear down costs. The deferred maintenance component of this project has the potential to reduce this building's energy consumption.	\$575,331		\$1,825,331	\$266,116
Park 35 Complex (P35). This project will upgrade fire systems in P35 buildings A, B, and D based on recommendations from the State Fire Marshall's Office. The systems include suppression, alarm, egress, and electrical systems. This project is considered a Health & Safety Project.	\$1,210,331		\$1,210,331	\$177,411
James E. Rudder building (JER). This project will upgrade the outdated electrical systems in JER. This project is considered a Health & Safety Project.	\$300,000		\$300,000	\$44,353
Insurance Building (INS). This project will upgrade HVAC, envelope, plumbing, electrical, elevators, and security systems in INS. The electrical, elevator, and security components of this project cost \$1,729,200 and are considered a Health & Safety Project. The health and safety and deferred maintenance aspects of this project are combined to reduce mobilization and tear down costs. The deferred maintenance component of this project has the potential to substantially reduce this building's energy consumption.	\$1,729,200		\$4,729,200	\$547,017
Supreme Court Building (SCB). This project will upgrade elevators and security systems in SCB. This project is considered a Health & Safety Project.	\$220,500		\$220,500	\$14,784
State Records Center (SRC). This project will upgrade the outdated fire systems in SRC. This project is considered a Health & Safety Project.	\$617,699		\$617,699	\$147,842
Robert E. Johnson Building (REJ) Fire System. This project will upgrade fire systems in REJ based on recommendations from the State Fire Marshall's Office. The systems include suppression, alarm, egress, and electrical systems. This project is considered a Health & Safety Project.	\$1,639,931		\$1,639,931	\$236,548

### Capital Budget Category – Repairs or Rehabilitation

<p>John H. Reagan Building (JHR). This project will upgrade building envelope, plumbing, parking lot, and fire systems in JHR. The upgrade to the fire systems are based on recommendations from the State Fire Marshall's Office. The fire systems include suppression, alarm, and egress. The fire and parking lot components of this project cost \$304,000 and are considered a Health &amp; Safety Project. The health and safety and deferred maintenance aspects of this project are combined to reduce mobilization and tear down costs.</p>	\$304,000		\$2,664,000	\$428,743
<p>Chilled Water Pipe. The pipe that distributes chilled water from the Stephen F. Austin Building (SFA) to the Lyndon B. Johnson Building (LBJ) is in need of critical repairs. TFC is conducting a study to determine how much longer the pipe can be in service. If the results of the study should determine that replacement is necessary, the pipe will have to be replaced immediately. Should the pipe burst or crack, LBJ would have to be shutdown and the cost of repairs would likely double. This project would replace the pipe and make ancillary repairs to the heating generation system. This project is not a health &amp; safety Project, but is critical to business operations. If the study determines that the pipe does not need to be replaced, this project would shift to an upgrade or replacement of outdated air handlers, plumbing, and heating generation system at SFA and its priority would be modified.</p>			\$7,256,412	\$1,079,250
<b>Total, Requested Projects and Estimated Debt Service</b>	<b>\$49,914,995</b>		<b>\$82,423,486</b>	<b>\$12,093,513</b>

Note: Assumes the issuance of commercial paper on 9/1/11 at a 5% interest rate. Project amounts rounded to accommodate accepted market issuance.

## Report on Improvements and Repairs to State Buildings

# Appendix I

### Office Buildings

Building Names	Current Repair Cost	Current Replacement Cost	Gross Sq. Ft. (GSF)	Price/GSF to Rebuild	Year Built/Acquired	FCI %	Proposition 8 & 4 2010-2011 GO Bond Deferred Maintenance	Proposition 8 & 4 2008-2009 GO Bond Deferred Maintenance	Revised Repair Cost	New FCI%
Lorenzo de Zavala Building	\$12,230,431	\$24,576,778	111,244	\$221	1959	49.76%	\$0	\$161,383	\$12,069,048	49.11%
Central Services Building	\$4,504,470	\$19,745,500	97,004	\$204	1980	22.81%	\$0	\$0	\$4,504,470	22.81%
Central Services Annex	\$1,331,994	\$3,153,701	15,071	\$209	1974	42.24%	\$0	\$97,027	\$1,234,967	39.16%
Credit Union Office Building	\$498,822	\$798,877	4,182	\$191	1975	62.44%	\$0	\$167,273	\$331,549	41.50%
Insurance Building	\$6,146,594	\$17,520,220	86,029	\$204	1961	35.08%	\$404,132	\$8,806	\$5,733,656	32.73%
Insurance Annex Building	\$2,249,349	\$12,068,656	59,757	\$202	1959	18.64%	\$898,880	\$521,833	\$828,636	6.87%
James E. Rudder Building	\$8,979,502	\$15,913,364	77,880	\$204	1917	56.43%	\$6,373,873	\$823,708	\$1,781,921	11.20%
John H. Reagan Building	\$1,255,318	\$33,384,253	161,787	\$206	1961	3.76%		\$1,000,000	\$255,318	0.76%
Lyndon Baines Johnson Building	\$33,375,671	\$70,951,719	299,512	\$237	1973	47.04%	\$1,164,775	\$1,265,929	\$30,944,967	43.61%
Price Daniel Sr. Building	\$8,867,282	\$35,851,725	135,926	\$264	1991	24.73%	\$2,183,426	\$1,247,623	\$5,436,233	15.16%
Robert E. Johnson Building (includes power plant)	\$3,126,187	\$67,054,221	307,091	\$218	2000	4.66%	\$0	\$0	\$3,126,187	4.66%
Supreme Court Building	\$4,569,474	\$14,939,261	69,253	\$216	1960	30.59%	\$0	\$900,100	\$3,669,374	24.56%
Sam Houston Building (includes power plant)	\$12,341,810	\$54,788,871	190,967	\$287	1959	22.53%	\$0	\$5,420,675	\$6,921,135	12.63%
Stephen F. Austin Building	\$48,213,735	\$127,850,014	418,103	\$306	1973	37.71%	\$880,255	\$25,274,897	\$22,058,583	17.25%
State Finance Building	\$2,572,581	\$8,116,215	38,165	\$213	1968	31.70%	\$421,071	\$0	\$2,151,510	26.51%
State Records Center Building	\$7,400,948	\$29,233,878	132,965	\$220	1969	25.32%	\$2,814,716	\$2,818,237	\$1,767,995	6.05%
Tom C. Clark Building	\$4,718,013	\$27,294,896	101,299	\$269	1960	17.29%	\$0	\$934,582	\$3,783,431	13.86%
E. O. Thompson Building	\$6,633,600	\$16,079,858	67,689	\$238	1941	41.25%	\$0	\$1,698,714	\$4,934,886	30.69%
Thomas Jefferson Rusk Building	\$12,112,088	\$23,237,362	99,971	\$232	1976	52.12%	\$1,123,600	\$927,718	\$10,060,770	43.30%
William B. Travis Building	\$22,295,860	\$103,600,955	466,440	\$222	1983	21.52%	\$3,019,791	\$3,314,458	\$15,961,611	15.41%

Building Names	Current Repair Cost	Current Replacement Cost	Gross Sq. Ft. (GSF)	Price/ GSF to Rebuild	Year Built/ Acquired	FCI %	Proposition 8 & 4 2010-2011 GO Bond Deferred Maintenance	Proposition 8 & 4 2008-2009 GO Bond Deferred Maintenance	Revised Repair Cost	New FCI%
Wheless Lane Lab	\$371,115	\$820,981	3,516	\$233	1960	45.20%	\$0	\$9,224	\$361,891	44.08%
William P. Clements Building	\$10,989,655	\$108,714,517	473,215	\$230	1990	10.11%	\$7,520	\$3,044,288	\$7,937,847	7.30%
Brown Heatly Building	\$8,008,362	\$56,987,928	259,989	\$219	1989	14.05%	\$7,142	\$1,577,443	\$6,423,777	11.27%
Department of Assistive and Rehabilitative Services	\$2,842,978	\$10,498,426	47,447	\$221	1986	27.08%	\$0	\$480,522	\$2,362,456	22.50%
Department of State Health Services—Main Bldg.	\$6,293,798	\$15,051,498	72,182	\$209	1969	41.82%	\$0	\$2,148	\$6,291,650	41.80%
Department of State Health Services—Bldg. F	\$1,028,369	\$1,588,014	7,485	\$212	1958	64.76%	\$0	\$5,112	\$1,023,257	64.44%
Department of State Health Services—Bldg. H	\$28,502	\$240,795	1,500	\$161	1985	11.84%	\$0	\$0	\$28,502	11.84%
Department of State Health Services—Bldg. K	\$460,344	\$921,870	4,679	\$197	1977	49.94%	\$0	\$563	\$459,781	49.87%
Department of State Health Services New Lab	\$30,794	\$50,397,828	176,201	\$286	2000	0.06%	\$0	\$0	\$30,794	0.06%
Department of State Health Services New Power Plant	\$3,400	\$1,685,821	3,200	\$527	2000	0.20%	\$0	\$0	\$3,400	0.20%
Texas Department of State Health Services Old Power Plant	\$2,427,123	\$3,249,790	4,994	\$651	1958	74.69%	\$0	\$431,223	\$1,995,900	61.42%
Department of State Health Services Records Building	\$2,098,312	\$6,485,085	30,984	\$209	1976	32.36%	\$0	\$125,372	\$1,972,940	30.42%
Department of State Health Services Service Building—Bldg. S	\$879,602	\$8,541,399	40,000	\$214	1976	10.30%	\$0	\$1,098,644	-\$219,042	-2.56%
Department of State Health Services Tower Building	\$13,076,374	\$24,051,122	100,997	\$238	1976	54.37%	\$0	\$1,510,729	\$11,565,645	48.09%
Department of State Health Services Annex	\$2,265,830	\$4,023,319	17,564	\$229	1957	56.32%	\$0	\$529	\$2,265,301	56.30%
Disaster Recovery Operations Computer Center	\$1,154,784	\$5,824,292	25,295	\$230	1991	19.83%	\$0	\$956,206	\$198,578	3.41%
John H. Winters Building	\$27,387,716	\$115,181,266	482,584	\$239	1984	23.78%	\$2,528,575	\$3,409,478	\$21,449,663	18.62%
Dr. Robert Bernstein Building	\$7,385,228	\$12,532,122	59,917	\$209	1958	58.93%	\$0	\$182,162	\$7,203,066	57.48%
Robert D. Morton Building	\$2,909,231	\$28,921,725	122,636	\$236	1989	10.06%	\$0	\$1,932,524	\$976,707	3.38%
Park 35 Building A	\$4,054,111	\$38,601,423	196,302	\$197	1994	10.50%	\$314,546	\$0	\$3,739,565	9.69%
Park 35 Building B—Phase I	\$1,192,608	\$6,841,145	34,408	\$199	1991	17.43%	\$0	\$0	\$1,192,608	17.43%
Park 35 Building B—Phase II	\$565,038	\$3,342,881	17,705	\$189	1994	16.90%	\$0	\$0	\$565,038	16.90%
Park 35 Building C	\$4,752,438	\$16,369,386	79,976	\$205	1983	29.03%	\$0	\$0	\$4,752,438	29.03%

Building Names	Current Repair Cost	Current Replacement Cost	Gross Sq. Ft. (GSF)	Price/GSF to Rebuild	Year Built/Acquired	FCI %	Proposition 8 & 4 2010-2011 GO Bond Deferred Maintenance	Proposition 8 & 4 2008-2009 GO Bond Deferred Maintenance	Revised Repair Cost	New FCI%
Park 35 Building D	\$2,758,831	\$11,210,226	54,502	\$206	1986	24.61%	\$0	\$0	\$2,758,831	24.61%
Park 35 Building E	\$2,438,442	\$10,140,969	47,428	\$214	1986	24.05%	\$269,664	\$0	\$2,168,778	21.39%
Promontory Point Service Center	\$8,623,595	\$32,827,002	142,605	\$230	1975	26.27%	\$0	\$0	\$8,623,595	26.27%
William P. Hobby Building—Tower I	\$18,409,205	\$49,580,559	229,861	\$216	1985	37.13%	\$0	\$34,864	\$18,374,341	37.06%
William P. Hobby Building—Tower II	\$3,598,473	\$12,634,380	49,453	\$255	1985	28.48%	\$0	\$0	\$3,598,473	28.48%
William P. Hobby Building—Tower III	\$9,175,075	\$31,771,582	140,058	\$227	1986	28.88%	\$0	\$0	\$9,175,075	28.88%
Carlos F. Truan Natural Resource Center	\$1,552,432	\$20,155,144	98,681	\$204	1996	7.70%	\$0	\$117,069	\$1,435,363	7.12%
Elias Ramirez State Office Building	\$11,435,220	\$49,340,046	239,271	\$206	1931	23.18%	\$330,261	\$2,029,098	\$9,075,861	18.39%
El Paso State Office Building	\$2,705,921	\$24,279,472	117,932	\$206	1999	11.14%	\$88,400	\$20,000	\$2,597,521	10.70%
Fort Worth State Office Building	\$2,167,690	\$14,394,979	69,040	\$209	1998	15.06%	\$0	\$150,600	\$2,017,090	14.01%
G. J. Sutton Building	\$11,171,862	\$20,995,878	99,792	\$210	1912	53.21%	\$4,844,963	\$754,386	\$5,572,513	26.54%
G. J. Sutton West Building	\$1,448,608	\$2,520,809	12,100	\$208	1912	57.47%	\$0	\$0	\$1,448,608	57.47%
Tyler State Office Building	\$4,399,828	\$9,848,844	52,269	\$188	1970	44.67%	\$0	\$11,463	\$4,388,365	44.56%
Waco State Office Building	\$2,157,485	\$20,843,064	97,314	\$214	1913	10.35%	\$0	\$1,027,304	\$1,130,181	5.42%
<b>Totals/Averages</b>	<b>\$385,672,108</b>	<b>\$1,537,575,911</b>	<b>6,653,417</b>	<b>\$246</b>	<b>1972</b>	<b>30.16%</b>	<b>\$19,998,705</b>	<b>\$65,493,914</b>	<b>\$292,502,604</b>	<b>24.77%</b>
					<b>38 avg. age</b>			<b>\$85,492,619</b>		

Information not available for all Commission-owned and managed warehouses, parking garages, and parking lots.

## Office Buildings

Building Names	Current Repair Cost	Current Replacement Cost	Gross Sq. Ft. (GSF)	Price/ GSF to Rebuild	Year Built/ Acquired	FCI %	Proposition 8 & 4 2010-2011 GO Bond Deferred Maintenance	Proposition 8 & 4 2008-2009 GO Bond Deferred Maintenance	Revised Repair Cost	New FCI%
Child Care Facility – S. Bldg. (CCF1)	\$615,667	\$1,547,719	8,003	\$193	1970	39.78%		\$49,107	\$0	\$566,560
Child Care Facility – N. Bldg. (CCF2)	\$277,051	\$661,685	3,332	\$199	1992	41.87%	\$0	\$0	\$277,051	41.87%
Texas State Cemetery Old Residence (CEBD)	\$55,315	\$335,701	1,125	\$298	1902	16.48%	\$0	\$50,000	\$5,315	1.58%
Texas State Cemetery Museum and Visitors Center (CEM)	\$148,836	\$1,014,906	4,796	\$212	1997	14.67%	\$0	\$0	\$148,836	14.67%
Promontory Point Guard House (PROM-G)	\$9,350	\$12,828	120	\$107	1975	72.89%	\$0	\$0	\$9,350	72.89%
Service Station Building B (STA)	\$72,640	\$224,113	1,284	\$175	1961	32.41%	\$0	\$0	\$72,640	32.41%
Carlos F. Truan Natural Resource Center Boat Storage (TRCA)	\$27,961	\$1,724,314	11,737	\$147	1996	1.62%	\$0	\$0	\$27,961	1.62%
William P. Hobby Parking Garage (PKL – PKN 4th & Guadalupe)	\$785,890	\$9,985,404	141,666	\$70	1984	7.87%	\$0	\$0	\$785,890	7.87%
<b>totals/averages</b>	<b>\$1,992,710</b>	<b>\$15,506,670</b>	<b>172,063</b>	<b>\$26</b>	<b>1972</b>	<b>28.45%</b>	<b>\$49,107</b>	<b>\$50,000</b>	<b>\$1,893,603</b>	<b>26.19%</b>
					<b>38 avg. age</b>		<b>\$99,107</b>			

Information not available for all Commission-owned and managed warehouses, parking garages, and parking lots.

# Appendix J



## Lorenzo de Zavala Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
111,244	1959	49.11%

**Current Repair Cost:** \$12,069,048

**Replacement Cost:** \$24,576,778

The Lorenzo de Zavala Archives Building, located at 1201 Brazos Street in Austin, Texas, was built in 1959. The building has four above grade floors, a roof top mechanical penthouse, and one floor below grade level. A complete renovation, including a new sewer line was completed in FY2009.



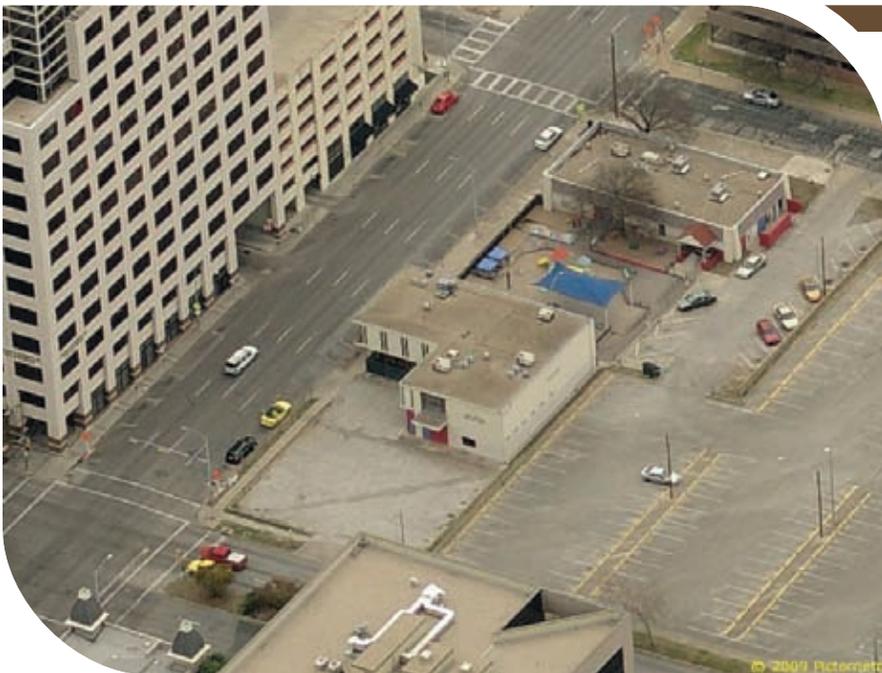
## Brown-Heatly Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
259,974	1989	11.27%

**Current Repair Cost:** \$6,423,777

**Replacement Cost:** \$56,987,928

The Brown-Heatly Building, located at 4900 North Lamar in Austin, Texas, was constructed between 1988 and 1989. The seven-story building has unique telescoping floors. There have been no additions or renovations to the original structure. The cooling tower and fire alarm system were recently replaced.



## Child Care Facility—South Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
8,003	1970	36.61%

**Current Repair Cost:** \$566,560

**Replacement Cost:** \$1,547,719

The Child Care Facility, South Building, is located at 1501 Lavaca Street in Austin, Texas. The property was acquired in 1978 as a place keeper for future state development of the Capitol Complex. The building appears to have been constructed in the mid 20th century. The building has two above grade floors. The first floor was renovated in 1992. The second floor is in very poor condition and is currently uninhabitable. There have been no additions. The fire notification system was recently upgraded.



## Child Care Facility—North Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
3,332	1992	41.87%

**Current Repair Cost:** \$277,051

**Replacement Cost:** \$661,685

The Child Care Facility, North Building, is located at 1507 Lavaca Street in Austin, Texas. The property was acquired in 1978 as a place keeper for future state development of the Capitol Complex. The building is one-story and was renovated in 1992. There have been no additions.



## Texas State Cemetery—Old Residence

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
1,125	1902	1.58%

**Current Repair Cost:** \$5,315

**Replacement Cost:** \$335,701

The Texas State Cemetery, Old Residence (previously known as the Sexton Cottage), is located at 901 Navasota Street in Austin, Texas. The single story residence was originally constructed in 1902. There have been renovations, but the dates are unknown. The most obvious renovations are the addition of vinyl siding to the structure, and aluminum windows and storm doors. Leveling of the structure and internal renovation projects are currently in progress.



## Texas State Cemetery—Museum and Visitors Center

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
4,796	1997	14.67%

**Current Repair Cost:** \$148,836

**Replacement Cost:** \$1,014,906

The Texas State Cemetery Museum and Visitors Center is located at 909 Navasota Street in Austin, Texas. The single story building was originally constructed in 1997. There has been one addition, in 2005, the George Eastland Christian Room.



## Central Services Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
96,864	1980	22.81%

**Current Repair Cost:** \$4,504,470

**Replacement Cost:** \$19,745,50

The Central Services Building, located at 1711 San Jacinto Blvd. in Austin, Texas, was originally constructed in 1980 as two separate buildings: a two-story office building on the northwest corner and a two-story support facility on the southeast corner. In 1988, two floors were added to the office building, along with a small area connecting the adjacent support facility. The replacement of the roof and the lighting protection system was recently completed.



## Central Services Annex

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
15,070	1974	39.16%

**Current Repair Cost:** \$1,234,967

**Replacement Cost:** \$3,153,701

The Central Services Annex (previously known as the Senate Print Shop) is located at 311 East 14th Street in Austin, Texas. The two-story building with basement and sub-basement was built in 1974. The building was renovated in 2000. Most recently, the boiler was replaced and drain pipes were repaired.



## Credit Union Office Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
4,182	1975	62.44%

**Current Repair Cost:** \$498,822

**Replacement Cost:** \$798,877

The Credit Union Building is located at 914 East Anderson Lane in Austin, Texas. The one-story building was originally constructed in 1975. There have been no additions or renovations. Replacement of roof and lighting were completed recently.



## Texas Department of Assistive and Rehabilitative Services Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
47,447	1986	22.50%

**Current Repair Cost:** \$2,362,456

**Replacement Cost:** \$10,498,426

The Texas Department of Assistive and Rehabilitative Services Building is a three-story office building located at 4800 North Lamar in Austin, Texas. This structure was originally constructed in 1986. Replacement of lighting and the roof projects began in FY2010 and is currently ongoing.



## Texas Department of State Health Services Main Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
72,182	1969	41.80%

**Current Repair Cost:** \$6,291,650

**Replacement Cost:** \$15,051,498

The Texas Department of State Health Services Main Building is a three-story office building with a basement located at 909 West 45th Street in Austin, Texas. This building was first occupied in 1969.



## Texas Department of State Health Services, Building F

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
7,485	1958	64.44%

**Current Repair Cost:** \$1,023,257

**Replacement Cost:** \$1,588,014

Texas Department of State Health Services (DSHS), Building F is located at 1100 West 49th Street in Austin, Texas, within the DSHS campus. The one-story, building was originally constructed in 1958. There have been no additions or renovations.



## Texas Department of State Health Services, Building H

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
1,500	1985	11.84%

**Current Repair Cost:** \$28,502

**Replacement Cost:** \$240,795

The Texas Department of State Health Services (DSHS), Building H, a hazardous material storage and maintenance building, is located at 1100 West 49th Street in Austin, Texas. It was built in 1985. This building is located within the DSHS campus and is one level. There have been no additions or renovations.



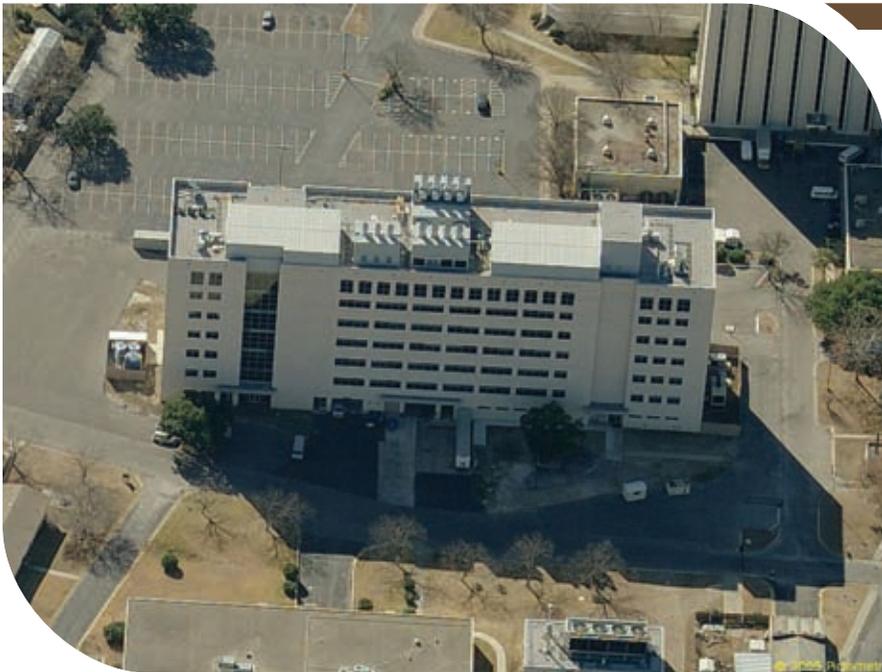
## Texas Department of State Health Services, Building K

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
4,679	1977	49.87%

**Current Repair Cost:** \$459,781

**Replacement Cost:** \$921,870

The Texas Department of State Health Services (DSHS), Building K, an auditorium and lecture hall, is located at 1100 West 49th Street in Austin, Texas, within the DSHS campus. The single-story building was originally constructed in 1977. There have been no additions or renovations.



## Texas Department of State Health Services New Lab

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
176,201	2000	0.06%

**Current Repair Cost:** \$30,794

**Replacement Cost:** \$50,397,828

The Texas Department of State Health Services (DSHS) New Lab, located at 1100 West 49th Street in Austin, Texas, was built in 2000. This building is located within the DSHS campus and has seven above grade floors. There have been no additions or renovations.



## Texas Department of State Health Services New Power Plant

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
3,200	2000	0.20%

**Current Repair Cost:** \$3,400

**Replacement Cost:** \$1,685,821

The Texas Department of State Health Services (DSHS) New Power Plant is located at 1100 West 49th Street in Austin, Texas, within the DSHS campus. The single-story, structure was originally constructed in 2000. There have been no additions or renovations. This power plant provides utility service for the DSHS New Lab.



## Texas Department of State Health Services Old Power Plant

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
4,994	1958	61.42%

**Current Repair Cost:** \$1,995,900

**Replacement Cost:** \$3,249,790

The Texas Department of State Health Services (DSHS) Old Power Plant is located at 1100 West 49th Street in Austin, Texas, within the DSHS campus. The single-story, building was originally constructed in 1958. Cooling tower replacement project is currently ongoing.



## Texas Department of State Health Services Records Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
30,984	1976	30.42%

**Current Repair Cost:** \$1,972,940

**Replacement Cost:** \$6,485,085

The Texas Department of State Health Services (DSHS) Records Building, previously known as the Carrol Building and the Bureau of Vital Statistics Building, is located at 1100 West 49th Street in Austin, Texas, within the DSHS campus. This one-story building was originally constructed in 1976. The roof was replaced recently.



## Texas Department of State Health Services Service Building S

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
40,000	1976	-2.56%

**Current Repair Cost:** \$219,042

**Replacement Cost:** \$8,541,399

The Texas Department of State Health Services (DSHS) Building S is located at 1100 West 49th Street in Austin, Texas, on the DSHS campus. The one-story building was originally constructed in 1976. Roof replacement and minor exterior repairs have just been made.



## Texas Department of State Health Services Tower

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
100,997	1976	48.09%

**Current Repair Cost:** \$11,565,645

**Replacement Cost:** \$24,051,122

The Texas Department of State Health Services (DSHS) Tower is located at 1100 West 49th Street in Austin, Texas, within the DSHS campus. The eight-story structure was originally constructed in 1976. Replacement of the roof was recently completed.



## Texas Department of State Health Services Annex Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
17,564	1957	56.30%

**Current Repair Cost:** \$2,265,301

**Replacement Cost:** \$4,023,319

The Texas Department of State Health Services (DSHS) Annex Building, previously known as the Texas Department of Mental Health and Mental Retardation Annex Building, is a two-story office building located at 909 West 45th Street in Austin, Texas. This building was first occupied in 1957. As of today, there have been no additions or renovations to the original structure.



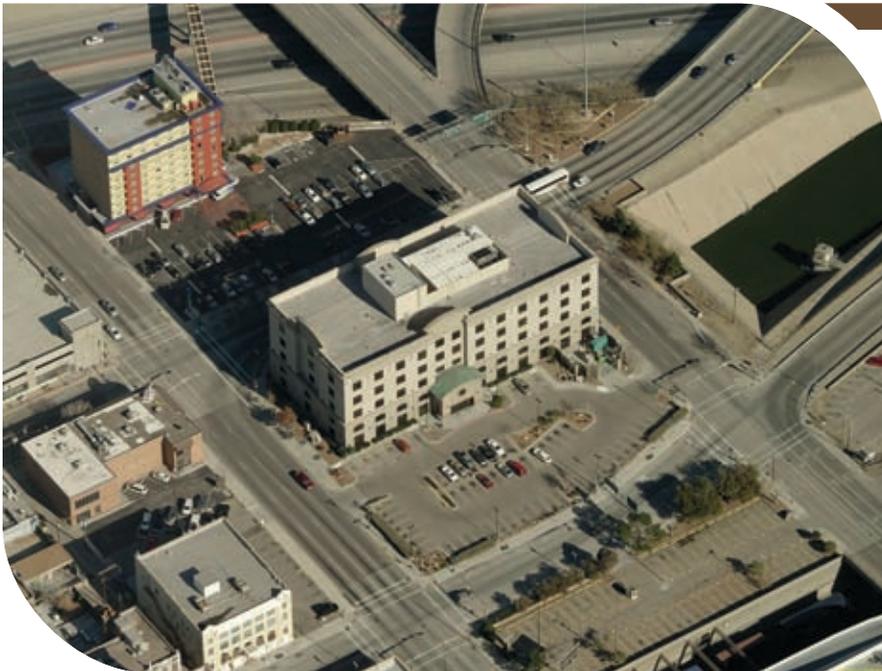
## Disaster Recovery Operations Computer Center

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
25,295	1991	3.41%

**Current Repair Cost:** \$198,578

**Replacement Cost:** \$5,824,292

The Disaster Recovery Operations Computer Center is located at 1001 West North Loop in Austin, Texas. The one-story building was originally constructed in 1991. The cooling towers and air handlers have just been replaced.



## El Paso State Office Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
117,932	1999	10.70%

**Current Repair Cost:** \$2,597,521

**Replacement Cost:** \$24,279,472

The El Paso State Office Building, located at 401 East Franklin in El Paso, Texas, was originally constructed in 1999. This building is a five-story structure with a 193,473 square feet three-level parking garage located across the street. Replacement of roof, repairs to the exterior, and a security system upgrade projects began in FY2010.



## Elias Ramirez Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
239,271	1931	18.39%

**Current Repair Cost:** \$9,075,861

**Replacement Cost:** \$49,340,046

The Elias Ramirez Building, located at 5425 Polk Avenue in Houston, Texas, was originally built in 1931. It consists of four floors plus a basement. In 1995, the building was extensively renovated with additions and all new interiors and exterior were installed. In 2005, a new exterior insulation finishing system (EIFS) was installed. Elevator building, acquired in 1985, is included statistically and consists of four floors plus a basement. Replacement of controls, roof, and lighting, and the repair of the pedestrian bridge projects are ongoing.



## French Legation Carriage House

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
1,855	1974	50.14%

**Current Repair Cost:** \$199,276

**Replacement Cost:** \$397,401

The French Legation Carriage House, located at 802 San Marcos in Austin, Texas, was built in 1974 as an addition to the Museum property to provide space for a gift shop, offices, and restroom facilities. The two-story structure was built to match the Museum time period and renovations are unknown. Owned, but not managed by TFC.



## French Legation Museum

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
3,137	1841	4.46%

**Current Repair Cost: \$56,366**

**Replacement Cost: \$1,262,426**

The French Legation Museum, located at 802 San Marcos in Austin Texas, consists of the French Legation Museum, a separate Kitchen Building, and the Carriage House. The Museum is the only original structure on the grounds. The Kitchen is a period accurate structure built in 1964 and the Carriage House was built as a period accurate structure in 1974 serves as an office, gift shop, and restroom facility. Owned, but not managed by TFC.



## French Legation Museum Kitchen Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
360	1964	77.94%

**Current Repair Cost: \$111,711**

**Replacement Cost: \$143,334**

The French Legation Museum, Kitchen Building, located at 802 San Marcos in Austin, Texas, was built in the 1960s after an archeological dig located the site of the original kitchen structure. Building matches the footprint of original structure and time period of the Museum. Owned, but not managed by TFC.



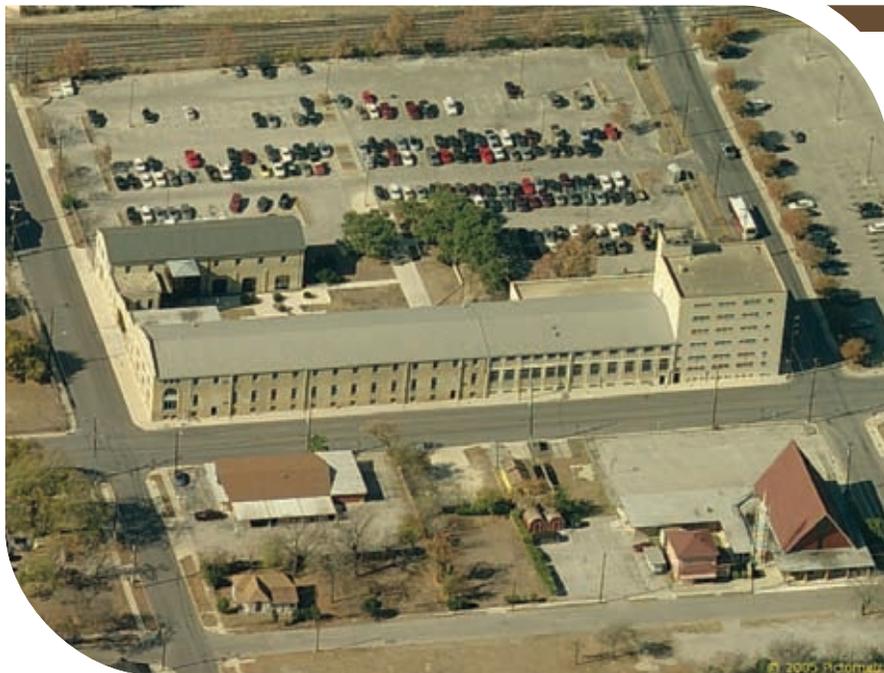
## Fort Worth State Office Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
70,137	1998	14.01%

**Current Repair Cost:** \$2,017,090

**Replacement Cost:** \$14,394,979

The Fort Worth State Office Building is located at 1501 Circle Drive in Fort Worth, Texas. The three-story building was constructed in 1998. There have been no major additions or renovations made to the structure. Air vents and lighting have been replaced recently.



## G. J. Sutton Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
99,792	1912	26.54%

**Current Repair Cost:** \$5,572,513

**Replacement Cost:** \$20,995,878

The G. J. Sutton Building, located at 321 Center Street in San Antonio, Texas, was built in 1912. The original structure is approximately 70% of the building. The original section of the building consists of the ground and sub-floor levels. The north end of the building is a five-story addition which was built in 1979. There have been only minor renovations to the entire building since this addition.



## G. J. Sutton West Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
12,100	1912	57.47%

**Current Repair Cost:** \$1,448,608

**Replacement Cost:** \$2,520,809

The G. J. Sutton West Building, located at 321 Center Street in San Antonio, Texas, was built in 1912. This building has had three renovations in 1979, 1991 (elevator & atrium were added), and most recently, 2005 (wood structural beams were replaced with steel). This structure consists of two above grade levels and a partial sub-floor office area. Repair to lobby settlement and finishes and the addition of a second entrance projects have recently begun.



## Human Services Warehouse

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
104,658	1988	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$74,654

The Human Services Warehouse is located 1111 North Loop in Austin, Texas. Three rooftop HVAC units were replaced.



## Insurance Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
86,029	1961	32.73%

**Current Repair Cost:** \$5,733,656

**Replacement Cost:** \$17,520,220

The Insurance Building, located at 1100 San Jacinto Boulevard in Austin, Texas, was built in 1961. The building has four above grade floors including a mezzanine, a roof top mechanical penthouse for elevator equipment, and one floor below grade.



## Insurance Warehouse

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
25,479	1988	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

The Insurance Warehouse is located at 7915 Cameron Road in Austin, Texas. Replacement of sprinkler heads was recently completed.



## Insurance Annex Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
59,757	1959	6.87%

**Current Repair Cost: \$828,636**

**Replacement Cost: \$12,068,656**

The Insurance Annex Building, located at 221 East 11th Street in Austin, Texas, was built in 1959. The building has four above grade floors including a mezzanine, a roof top mechanical penthouse for elevator equipment, and one floor below grade level. Replacement of roof and lighting project has recently been completed.



## James E. Rudder Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
77,880	1917	11.20%

**Current Repair Cost: \$1,781,921**

**Replacement Cost: \$15,913,364**

The James E. Rudder Building, located at 1019 Brazos Street in Austin, Texas, was constructed in 1917. This building has five above grade floors with a basement below grade level. There has been one complete renovation. The replacement of steam piping, roof, and lighting projects is currently ongoing.



## John H. Reagan Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
161,811	1961	0.76%

**Current Repair Cost:** \$255,318

**Replacement Cost:** \$33,384,253

The John H. Reagan Building, located at 105 West 15th Street in Austin, Texas, was built in 1961. This building has five above grade floors with a basement below grade level. There was a comprehensive renovation completed in 2002. An interior improvements project is currently ongoing.



## John H. Winters Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
482,584	1984	18.62%

**Current Repair Cost:** \$21,449,663

**Replacement Cost:** \$115,181,266

The John H. Winters Building is located at 701 West 51st Street in Austin, Texas. Original construction was completed in 1984 and renovations were made replacing the lighting, fire alarm, and acoustic ceiling tiles in 2003. Replacement of chillers, pumps, direct digital controls, elevators, lighting, and the Halon fire system projects are currently in process.



## Lyndon Baines Johnson Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
299,512	1973	43.61%

**Current Repair Cost:** \$30,944,967

**Replacement Cost:** \$70,951,719

The Lyndon Baines Johnson Building, located at 111 East 17th Street in Austin, Texas, was constructed in 1973. In the early 1990's, there were minor renovations throughout to abate asbestos containing material. Reportedly, the fourth floor was not included. The abatement program replaced most interior construction. Main public restrooms on all floors were not renovated; however, accessible restrooms were added to most floors. Replacement of fan coil units, chilled water pumps, and lighting has recently been completed.



## Park 35 Building A

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
196,302	1994	9.69%

**Current Repair Cost:** \$3,739,565

**Replacement Cost:** \$38,601,423

Park 35 Building A is a three-story building located at 12100 North IH 35 in Austin, Texas, within the Park 35 campus. This building was originally constructed in 1994. In 2005, the State exercised its option to purchase these lease properties.



## Park 35 Building B

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
52,113 1991	1994	17.43%(P1) & 16.90%(P2)

**Current Repair Cost:** \$1,192,608(P1) & \$565,038(P2)

**Replacement Cost:** \$6,841,145(P1) & \$3,342,881(P2)

Park 35 Building B is located at 12124 North IH 35 in Austin, Texas, within the Park 35 campus. This two-story building was built in two phases: the first phase, 34,408 square feet, was completed in 1991 and the second phase, 17,705 square feet, was completed in 1994. In 2005, the State exercised its option to purchase these lease properties.



## Park 35 Building C

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
79,976	1983	29.03%

**Current Repair Cost:** \$4,752,438

**Replacement Cost:** \$16,369,386

Park 35 Building C is located at 12124 North IH 35 in Austin, Texas, within the Park 35 campus. This three-story building first opened in 1983. In 2005, the State exercised its option to purchase these lease properties.



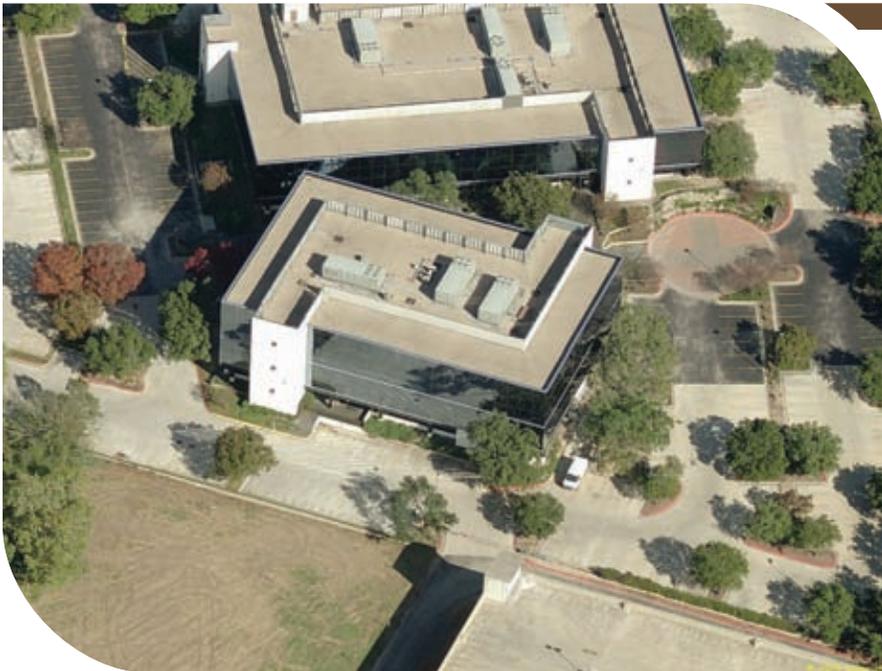
## Park 35 Building D

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
54,502	1986	24.61%

**Current Repair Cost:** \$2,758,831

**Replacement Cost:** \$11,210,226

Park 35 Building D is located at 12118 North IH 35 in Austin, Texas, within the Park 35 campus. This two-story building was first opened in 1986. In 2005, the State exercised its option to purchase these lease properties.



## Park 35 Building E

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
47,428	1986	21.39%

**Current Repair Cost:** \$2,168,778

**Replacement Cost:** \$10,140,969

Park 35 Building E is located at 12118 North IH 35 in Austin, Texas, within the Park 35 campus. This three-story building was first opened in 1986. In 2005, the State exercised its option to purchase these lease properties.



## Parking Garage A

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
300,767	1974	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$1,511.00

Parking Garage A is located at 1401 San Jacinto Boulevard in Austin, Texas, was built in 1974. Replacement of lighting for energy conservation is currently ongoing.



## Parking Garage B

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
269,087	1974	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$1,000.00

Parking Garage B is located at 1511 San Jacinto Boulevard in Austin, Texas, and was constructed in 1974. Replacement of lighting for energy conservation is currently ongoing.



## Parking Garage C

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
18,501	1976	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$16,296.00

Parking Garage C is located at 1400 Colorado in Austin, Texas, and was originally built in 1976. This garage is underground between the Price Daniel Building and the Law Library Plaza Area. Replacement of lighting for energy conservation was completed recently.



## Parking Garage E

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
487,248	1985	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$1,627.00

Parking Garage E is located at 1604 Colorado in Austin, Texas, and was originally built in 1985. Replacement of lighting for energy conservation is currently ongoing.



## Parking Garage F

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
149,606	1985	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$2,151.00

Parking Garage F is located at 1311 San Jacinto Boulevard in Austin, Texas, and was constructed in 1985. Replacement of lighting for energy conservation is currently ongoing.



## Parking Garage G

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
96,697	1987	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$931.00

Parking Garage G is located at 315 West 17th Street in Austin, Texas, and was originally built in 1987. Replacement of lighting for energy conservation is currently ongoing.



## Parking Garage H

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
310,137	1989	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$3,221.00

Parking Garage H is located at 4900 North Lamar in Austin, Texas, and was originally built in 1989. Replacement of lighting for energy conservation was completed in recently.



## Parking Garage H West

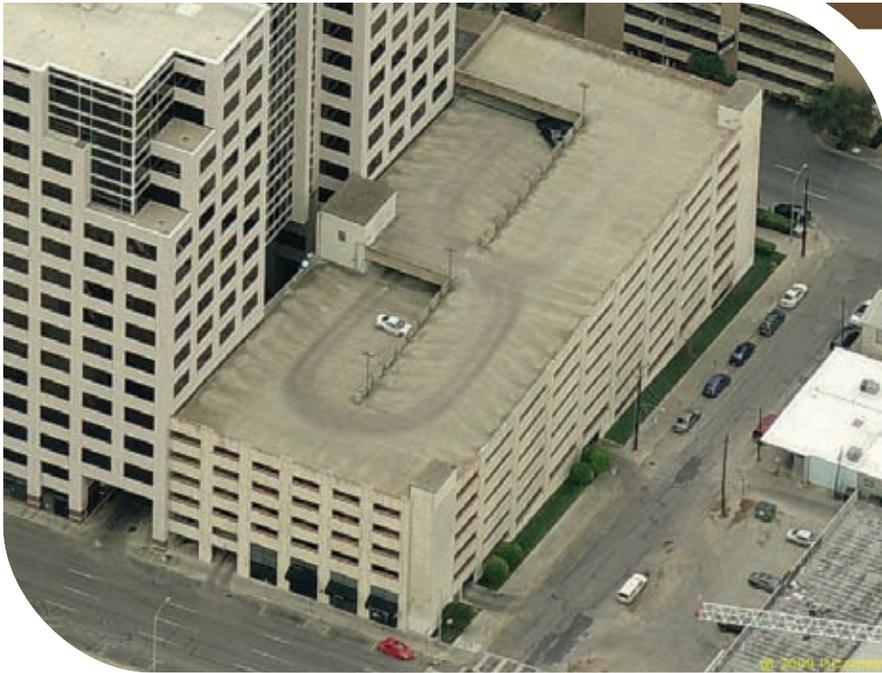
Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
323,898	1998	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$1,136.00

Parking Garage H is located at 4900 Sunshine in Austin, Texas, and was originally built in 1998. Replacement of lighting for energy conservation was completed recently.



## Parking Garage J

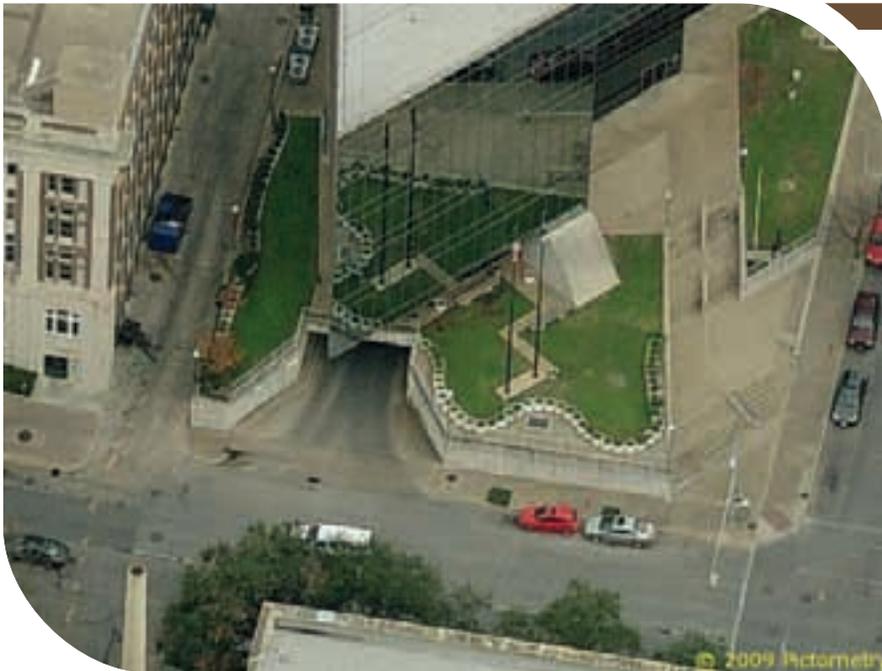
Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
261,882	1990	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$50,605.00

Parking Garage J is located at 300 West 15th Street in Austin, Texas, and was originally built in 1985 and acquired by the State in 1990. Replacement of lighting for energy conservation was completed recently.



## Parking Garage K

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
18,501	1976	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$28,752.00

Parking Garage K is located at 200 East 10th Street in Austin, Texas, and was originally built in 1976. This garage is underground beneath the Thomas J. Rusk Building and plaza Area.



## Parking Garage N

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
318,786	1996	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$0.00

Parking Garage N is located at 300 San Antonio in Austin, Texas, and was originally built in 1996. Replacement of lighting for energy conservation has not yet begun.



## Parking Garage P

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
261,737	1997	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$8,717.00

Parking Garage P is located at 1518 San Jacinto Boulevard in Austin, Texas, and was originally built in 1997. Replacement of lighting for energy conservation is currently ongoing.



## Parking Garage R

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
585,139	2000	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$0.00

Parking Garage R is located at 1706 San Jacinto Boulevard in Austin, Texas, and was originally built in 2000. Replacement of lighting for energy conservation has not begun.



## Parking Garage Q

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
277,700	1999	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

**Prop. 8 GO Bonds:** \$0.00

Parking Garage Q is located at 1610 San Jacinto Boulevard in Austin, Texas, and was constructed in 1999. Replacement of lighting for energy conservation has not begun.



## Promontory Point Service Center

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
152,225	1975	26.27%

**Current Repair Cost:** \$8,623,595

**Replacement Cost:** \$32,827,002

The Promontory Point Service Center, located at 4044 Promontory Point in Austin Texas, was originally built or acquired in 1975 and partially renovated in 1994. This two-story structure including mezzanine offices serves as a warehouse/storage facility and computer operations center.



## Promontory Point Guard House

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
120	1975	72.89%

**Current Repair Cost:** \$9,350

**Replacement Cost:** \$12,828

The Promontory Point Service Center Guard House, located at 4044 Promontory Point in Austin, Texas, was abandoned in place several years ago. The structure has not been used since the State acquired the property.



## Price Daniel Sr. Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
136,429	1991	15.16%

**Current Repair Cost:** \$5,436,233

**Replacement Cost:** \$35,851,725

The Price Daniel Sr. Building, located at 209 West 14th Street in Austin, Texas, was originally constructed in 1991. The structure is built over an 11,476 square foot one-level parking garage. Upgrades and alterations were completed in FY2009. Replacement of lighting project is currently ongoing.



## Dr. Robert Bernstein Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
59,917	1958	57.48%

**Current Repair Cost:** \$7,203,066

**Replacement Cost:** \$12,532,122

The Dr. Robert Bernstein Building, previously known as Texas Department of State Health Services (DSHS), Building G, is located at 1100 West 49th Street in Austin Texas, within the DSHS campus. The four-story structure, plus basement, was originally constructed in 1958. Roof was recently replaced.



## Robert D. Morton Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
123,018	1989	3.38%

**Current Repair Cost:** \$976,707

**Replacement Cost:** \$28,921,725

The Texas Department of State Health Services (DSHS) Robert D. Morton Building is located at 1100 West 49th Street in Austin, Texas, within the DSHS campus. The seven-story building was originally constructed in 1989. Structural repairs are substantially complete.



## Robert E. Johnson Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
307,091	2000	4.66%

**Current Repair Cost:** \$3,126,187

**Replacement Cost:** \$67,054,221

The Robert E. Johnson Building, located at 1501 North Congress Avenue in Austin, Texas, was originally constructed in 2000. The building has six above grade floors with a basement. There have been no additions or renovations to the original structure. The Power Plant is included statistically.



## Supreme Court Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
69,253	1960	24.56%

**Current Repair Cost:** \$3,669,374

**Replacement Cost:** \$14,939,261

The Texas Supreme Court Building, located at 201 West 14th Street in Austin, Texas, was originally constructed in 1961 and completely renovated in 1991. This building has four above grade floors and a two-level subterranean basement. Replacement projects for the fire alarm system, the roof, and lighting are substantially complete.



## Stephen F. Austin Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
418,171	1973	17.25%

**Current Repair Cost:** \$22,058,583

**Replacement Cost:** \$127,850,014

The Stephen F. Austin Building, located at 1700 North Congress Avenue in Austin, Texas, was built in 1973. This building is an eleven-story structure with a basement and sub-basement. There have been no additions. Individual floors are being renovated as funding becomes available. To date, seven floors have been completed, one floor has been started, and the other floors remain to be renovated. The Power Plant is included statistically.



## State Finance Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
38,165	1968	26.51%

**Current Repair Cost:** \$2,151,510

**Replacement Cost:** \$8,116,215

The State Finance Building is located at 2601 North Lamar in Austin, Texas. The three-story building was originally constructed in 1968. There have been no additions. This building is located on a very steep site and the second floor is the main entry point. Projects to replace the fire alarm system, the roof, and lighting were completed recently.



## Sam Houston Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
170,967	1959	12.63%

**Current Repair Cost:** \$6,921,135

**Replacement Cost:** \$54,788,871

The Sam Houston Building is located at 201 East 14th Street in Austin, Texas. This ten-story structure with basement and subbasement was built in 1959 and renovated in 1997. A tunnel was added to connect the basement of the building with the newly built Capital Extension. The Central Power Plant is included statistically. Projects to replace chillers, boilers, pumps, switch gear controls, and the roof are currently underway. Interior improvement project is also in progress.



## State Records Center Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
132,965	1969	6.05%

**Current Repair Cost:** \$1,767,995

**Replacement Cost:** \$29,233,878

The State Records Center is located at 4400 Shoal Creek Boulevard in Austin, Texas. The one-story building was originally constructed in 1969. There has been one office addition, probably in the 1970's (unable to confirm date). Square footage includes both buildings A and B. Projects replacing lighting, piping, the chiller, and the roof have recently been completed.



## Surplus Property, San Antonio

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
25,000	1993	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

This warehouse is located at 2103 Ackerman Road in San Antonio, Texas, and was acquired in 1993.



## Surplus Property, Fort Worth

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
22,843	1993	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

This warehouse is located at 2826 North Beach Street in Fort Worth, Texas, and was acquired in 1993



## Surplus Property, Houston

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
20,000	1993	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

This warehouse is located at 8611 Wallisville Road in Houston, Texas, and was acquired in 1993.



## Service Station Building B

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
1,284	1961	32.41%

**Current Repair Cost:** \$72,640

**Replacement Cost:** \$224,113

The Service Station Building is located at 1500 San Jacinto Boulevard in Austin, Texas. This one-story, structure was built in 1961. Currently unable to determine any renovations.



## Tom C. Clark Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
101,299	1960	13.86%

**Current Repair Cost:** \$3,783,431

**Replacement Cost:** \$27,294,896

**Prop. 8 GO Bonds:** \$6,884.00

The Tom C. Clark Building is an eight-story office building with a two-story basement used for parking on the upper basement floor with mechanical on the lower. It is located at 205 West 14th Street in Austin, Texas. The structure is built over a 16,074 square feet one-level parking garage. The roof and lighting (including garage) has recently been replaced.



## E. O. Thompson Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
67,689	1941	30.69%

**Current Repair Cost:** \$4,934,886

**Replacement Cost:** \$16,079,858

The E. O. Thompson Building, a ten-story office building with a basement, is located at 920 Colorado Street in Austin, Texas. The structure was built in 1941. Interior lighting and HVAC units were replaced.



## Thomas Jefferson Rusk Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
99,971	1976	43.30%

**Current Repair Cost:** \$10,060,770

**Replacement Cost:** \$23,237,362

The Thomas Jefferson Rusk Building was constructed in 1976 as a banking facility. The six-story building was acquired in 1995 by TFC. From that point, it was used as an office building. Apparently, some renovations were performed after acquisition to accommodate the change in building usage. The structure is built over a 98,498 square feet, four-level parking garage. The boiler has been replaced recently. Projects to replace the chiller, lighting, and upgrade the HVAC units are just about complete.



## Carlos F. Truan Natural Resource Center

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
98,681	1996	7.12%

**Current Repair Cost:** \$1,435,363

**Replacement Cost:** \$20,155,144

The Carlos F. Truan Natural Resource Center is located at 6300 Ocean Drive in Corpus Christi, Texas, on the Texas A&M Corpus Christi campus. The three-story building was constructed in 1996. There have only been minor additions and renovations from the original date of construction.



## Carlos F. Truan Natural Resource Center Boat Storage Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
11,737	1996	1.62%

**Current Repair Cost:** \$27,961

**Replacement Cost:** \$1,724,314

The Carlos F. Truan Natural Resource Center Boat Storage Building is located adjacent to the main building at 6300 Ocean Drive in Corpus Christi, Texas, on the Texas A&M Corpus Christi campus. The one-story structure was originally constructed in 1996. There have been no additions or renovations to the original structure.



## Tyler State Office Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
52,269	1970	39.35%

**Current Repair Cost:** \$3,129,119

**Replacement Cost:** \$7,952,507

The Tyler State Office Building, located at 3303 Mineola Highway in Tyler, Texas, is estimated to have been built in 1970. The single-story building was acquired by the State in 1991 and was completely renovated, including a new roof and additional office areas. In 2002, minor renovations, including new carpet, paint in areas, and roof patching caused by a building shift were completed. Owned, but not managed by TFC.



## Waco State Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
97,311	1913	5.42%

**Current Repair Cost:** \$1,130,181

**Replacement Cost:** \$20,843,064

The Waco State Office Building is located at 801 Austin Avenue in Waco, Texas. The original structure was built in 1913 as a hotel. In 1997, a complete ground-up renovation was undertaken including the addition of 20,000 square feet to house the elevators and stairway on the backside of the structure, which consists of ten floors plus a basement. The security system upgrade is complete with an ongoing project to renovate HVAC and controls.



## Warehouse at Bolm Road

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
50,623	1989	0.00%

**Current Repair Cost:** Not Available

**Replacement Cost:** Not Available

This warehouse is located at 6506 Bolm Road in Austin, Texas, and was built in 1989.



## William B. Travis Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
466,358	1983	15.41%

**Current Repair Cost:** \$15,961,611

**Replacement Cost:** \$103,600,955

The William B. Travis Building is located at 1701 North Congress Avenue in Austin, Texas. The twelve-story structure with a basement was originally constructed in 1983. Renovation of the 12th floor is complete. Renovations for the 10th & 11th floors are in process.



## Wheless Lane Lab

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
3,516	1960	44.08%

**Current Repair Cost:** \$361,891

**Replacement Cost:** \$820,981

The Wheless Lane Lab is located at 2801 Wheless Lane in Austin, Texas. The one-story building's original construction date is unknown, but is consistent with the early 1960's when the area was originally developed. There have been no renovations to the building.



## William P. Clements Building

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
473,215	1990	7.30%

**Current Repair Cost:** \$7,937,847

**Replacement Cost:** \$108,714,517

The William P. Clements Building is located at 300 West 15th Street in Austin, Texas. The fifteen-story building was constructed in 1986 and acquired by TFC in 1990. There have been limited additions or renovations since the acquisition. Minor exterior repairs, installation of a surveillance system, and replacement of lighting projects are currently in process.



## William P. Hobby Complex

### Tower I

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
229,861	1985	37.06%

**Current Repair Cost:** \$18,374,341

**Replacement Cost:** \$49,580,559

### Tower II

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
49,453	1985	28.48%

**Current Repair Cost:** \$3,598,473

**Replacement Cost:** \$12,634,380

### Tower III

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
140,058	1986	28.88%

**Current Repair Cost:** \$9,175,075

**Replacement Cost:** \$31,771,582

The William P. Hobby Complex, located at 333 Guadalupe Street in Austin, Texas, consists of three buildings built over a two-level parking garage. Construction spanned from 1981 to 1986. Tower I is a thirteen-story building, Tower II is a five-story building, and Tower III is a nine-story building. The fountain and cooling tower have recently been repaired.



## Parking Garage L - William P. Hobby

Gross Sq. Ft.	Year Built/Acquired	FCI Percentage
141,666	1984	7.87%

**Current Repair Cost:** \$785,890

**Replacement Cost:** \$8,985,404

**Prop. 4 GO Bonds:** \$3,885.00

The William P. Hobby Complex, located at 333 Guadalupe Street in Austin, Texas, consists of three buildings built over a two-level parking garage. Construction spanned from 1981 to 1986. Halon fire suppression system was recently repaired.

# Appendix K

The Texas Facilities Commission surveyed the office space needs and new project requests of 103 state agencies. The Commission received responses from three agencies for eight project analyses to support their funding request to the Legislature for facilities throughout the State, a request from the Texas Commission on Environmental Quality to perform a project analysis for a new laboratory in Houston, and a request from the Texas State Library and Archives Commission to perform a project analysis for an archival storage expansion at the State Records Center on Shoal Creek Blvd. in Austin, Texas.

## *Texas Department of Public Safety - Various Projects*

The Texas Department of Public Safety (DPS) requested TFC to conduct project analyses for eight projects to be implemented during the Fiscal Biennium 2012-2013.

Many DPS staff, programs and services are housed in inadequate, commercial lease space where rents are rising and the supply of additional space to meet DPS needs does not exist. In other cases, DPS field offices are located in county-owned buildings where they compete with local government for space and the growth of DPS programs cannot be accommodated. Other developing conditions require strategic relocation of DPS personnel and facilities to improve delivery of critical services to the public and better support the safety of the public.

These projects require the purchase of land, new construction and/or renovation and expansion of existing facilities that house operations for Highway Patrol, Driver License, Texas Rangers, License and Weight, Traffic Law and Enforcement, and Narcotics & Special Crimes Units.

**Objective:** To improve delivery of critical services to Texas citizens by consolidating operations and service delivery units of the Texas Department of Public Safety in cost-effective, adequate and safe facilities.

**Strategies:** Purchase land, construct, expand, and/or renovate facilities in the following cities:

- ▶ San Antonio Regional Headquarters – New Facility
- ▶ El Paso Regional Headquarters – New Facility
- ▶ Florence DPS Recruit Lodging Facility – New Facility
- ▶ Austin Headquarters Building C Replacement/Renovation – New or Renovated Facility
- ▶ Austin Headquarters Perimeter Security – New Site Improvement
- ▶ Brownsville Area Office Drainage & Paving Improvements – Renovation
- ▶ Laredo Crime Lab – New Facility (Authorized by 81st Legislature)
- ▶ Driver License Backfill for 22 Locations – Renovation

## *Texas Commission on Environmental Quality – New Facility or Renovated Lease for Houston Laboratory*

The Texas Commission on Environmental Quality (TCEQ) has an immediate need for relocation of the Houston Laboratory to replace an out of date, inefficient and hazardous facility. Relocation to a newer facility designed in accordance with current occupational safety and health standards and to accommodate changing analytical equipment will provide TCEQ with the ability to maintain expertise in the testing of environmental samples, customize laboratory services to the agency's needs, provide specialized priority service to agency program areas, maintain direct control over laboratory operations, maintain control over selection of third party suppliers and ensure client confidentiality.

This project requires the purchase of land and new construction or, alternatively, a new lease and renovation of an existing or new facility that is designed with the appropriate mechanical, electrical and plumbing systems to accommodate the function of laboratory activities. The laboratory currently supports the water, air and waste programs

of TCEQ by providing custom services to agency programs. Analytical services include routine wet chemistry, trace metals in water and sediments, and bacterial analysis in water. Additionally, the lab assembles and distributes “clean kits” used by the Clean Rivers Program partners for collection of samples for metal analyses.

**Objective:** To replace the existing lab facility with a new facility that is smaller and better suited for the function and needs of the lab. This includes mechanical and HVAC systems that provide the much needed environmental controls and stability to accurately conduct the laboratory testing procedures. At the same time, the systems will be designed to be energy efficient relative to the requirements of labs for makeup air and air conditioning. Additionally, the lab space will be designed to be modular and flexible to accommodate future developments, changes and improvements in process. Receiving and loading facilities along with a well conceived layout will accommodate delivery of lab supplies and equipment as well as shipping of the lab products such as “clean kits”.

**Strategy:** Purchase land or contract for a properly finished out lease for a new lab facility.

### ***Texas State Library and Archives Commission - Archival Storage Expansion – New Facility - Austin***

In 2005 the Texas Legislature appropriated \$15.5 million for the renovation of the Lorenzo de Zavala State Archives and Library Building. The recently completed renovation has focused on bringing the existing building up to code, upgrading elevators, lighting, cabling, improving electrical capacity, updating HVAC and plumbing systems, as well as addressing other infrastructure needs. Asbestos was removed from the building as well. However, this renovation does not address TSLAC’s highest priority need – expansion of space for the proper storage of the state’s valuable collections of resources that document the history of Texas as a colony, province, republic, and state.

This project analysis is a companion to and incorporates information from a study of the archival storage needs of the Texas State Library and Archives Commission.

**Objective:** To determine the best alternative and plan for storage of the state’s valuable historical records for the next 15 to 20 years.

**Strategy:** Construct a new 3-story addition, concrete structural frame with masonry exterior, parking and loading dock, located immediately south of the existing State Records Center, 4400 Shoal Creek Boulevard, Austin, Texas. This project would be constructed on existing State owned property and would not require acquisition of land.





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