

STATE OF MAINE

LEGISLATIVE RESEARCH COMMITTEE

REPORT ON STATE GOVERNMENT OFFICE SPACE

to

FIRST SPECIAL SESSION

of the

ONE HUNDRED AND FOURTH LEGISLATURE

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Legislative Research Committee Publication 104-25

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STATE OF MAINE LEGISLATIVE RESEARCH COMMITTEE STATE HOUSE AUGUSTA, MAINE 04330

of the 104th Legislature:

January, 1970

To the Members of the First Special Session

I have the honor to transmit herewith the Legislative Research Committee's report on State Government Office Space.

In view of a growing controversy in respect to the manner of housing the numerous departments, agencies and commissions of State Government, the Committee, upon its own motion, undertook this study designated as committee publication 104-25.

It is the Committee's hope that the findings and recommendations contained herein as to existing and future development of State office space will benefit the Members of the Legislature and the citizens of the State of Maine.

Respectfully submitted,

WILLIAM E. DENNETT, Chairman Legislative Research Committee

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At the regular monthly meeting of the Legislative Research Committee held September 10, 1969, Mr. Maurice Williams of the Department of Finance and Administration appeared before the Full Committee. One of the purposes of his appearance at that time was to gain the Committee's approval on the removal of the Department of Economic Development from the State Office Building to new quarters at the Augusta Shopping Plaza. (See Exhibit I) The necessity for such action, and the actual relocation that followed, was the result of expansion of the Bureau of Taxation occasioned by legislation imposing the income tax and the space required in which to operate a newly created Income Tax Division. Along with this development the Committee observed that the relocation of the Department of Economic Development and. Bureau of Taxation was one of several departmental moves contemplated due to the critical situation relative to office space now existing at the State House and adjoining State Office Building.

Prompted by this observation the Committee appointed a subcommittee to study the problem of State Government Office Space and instructed it to report to the forthcoming special session of the 104th Legislature.

The lack of office space, although not a new problem may be attributed to the expanded role of government, the consequence of which is the periodic need for sufficient

working space for the various administrative functions of State. The following historical sequence of activities seems to illustrate the reoccurrence of critical periods of growth in the Capitol area:

1829 - On July 4, 1829 the cornerstone of the present State House was laid at Augusta and for some time thereafter all functions of government were conveniently administered from a single building.

1914 - The Department of Education building now located near the south wing of the State House was built as a military storehouse for the adjutant general. From 1919 to date many additions and alterations have been made on this building as use shifted from military storage to finished office space.

1919 - The Blaine Mansion was donated to the State by Governor Blaine and become the official residence of each succeeding governor.

1920 - The large complex of buildings known as the State Highway Garage originated.

1940 - A building to house the State Police Headquarters was constructed and later a garage was added.

1942 - The Vickery-Hill Building, formerly a Publishing House, was first leased by the State until its purchase in 1945.

1943 - The Motor Vehicle Building which had been

leased by the State the previous year was purchased and additions made.

1953 - The demand for office space had become so great by 1953 that a new State office building was erected directly to the rear of the State House. In that same year the Fish and Game warehouse located on Federal Street was constructed.

1954 - A Liquor warehouse and retail store, now housing the State Liquor Commission, was built in Hallowell.

1960 - Started the construction of the Maine Employment Security Commission Building on Union Street bordering Capitol Park. This federally funded structure will revert to the State with a change in use.

1963 - The State purchased and remodeled the former Internal Revenue Building on State Street adjacent to the State House. The Department of Health and Welfare now occupies the building and a new wing has been added.

1965 - The Legislature initiated a successful move to construct the Maine Cultural Building which will house the museum, library and archives and relieve needed space in the State House. This project is expected to be completed in April 1971.

1969 - An administration building to house the Maine Aeronautics Commission was started at the Augusta State Airport.

Although the list is not complete and does not reflect

a number of leased buildings or the acquisition of private residences, the pressures of expansion are not difficult to recognize.

On the basis of its study and deliberations, the subcommittee acknowledges that the rising pressures for expansion are again being felt in the Augusta area relative to housing the numerous departments, agencies and commissions as they now exist. This unfortunate situation has evolved, as in the past, principally due to the fact that both the Legislature and the Executive Branches of State Government focus their attention on creating rather than housing needed governmental functions.

The national standard for allocation of office space sets the minimum at 150 square feet of office space for each employee. Lacking the necessary space in which to expand, this Federal standard is of little or no consequence with the continued biennial practice of adding employees to virtually every function of Maine Government.

This failure to set and maintain such a standard has generated intolerable conditions which genuinely inhibit not only efficiency but the proper discharge of administrative functions.

During the relatively brief period of time allocated for study, the subcommittee held a number of hearings which gave rise to a wide range of options for existing and future

development of office space. In light of numerous options presented, the subcommittee reports on only those of greatest concern.

Lease of Existing Space

Mr. Niran C. Bates, Director of the Bureau of Public Improvements, proposed that the State of Maine lease 24,000 square feet of office space over the Capitol Shopping Center which is now under construction. (See Exhibit I) This proposal entailed the entire top floor of the main building of the new shopping center. It was also suggested that the State might find it advantageous to lease 4,000 square feet on the street level.

Under the Bureau's proposal, the Department of Insurance, Department of Banks and Banking, Industrial Accident Commission and Public Utilities Commission would be relocated to such leased space on the second floor as soon as it becomes available.

Inasmuch as the Industrial Accident Commission was included in the Bureau's recommendation for occupancy of the 2nd floor of the Capitol Shopping Complex, the subcommittee suggested that the Bureau of Public Improvements negotiate with the owner of the building for the installation of an elevator. The subcommittee felt that an elevator would be a necessity in this instance due to the fact that many who have business with the Industrial Accident Commission have been injured or are in such condition that passage by stairway

would be impracticable and hazardous.

In regard to the Bureau's suggestion, relative to leasing 4,000 additional square feet on the ground level, the subcommittee felt that this area should be passed over at the present time. The Legislative Research Committee, upon the subcommittee's recommendation, approved the foregoing proposal as a temporary solution to the space problem with the following stipulations: that the owner of the building provide all maintenance, utilities and custodial service, and that ample parking facilities will be provided for employees and those having business with the several departments to be situated therein. In support of its action the Committee felt that even though this proposal could not be considered a permanant solution to an acute and vital problem, as a temporary measure, the terms of the lease (5 years with an option to renew) and rental per square foot along with other considerations, was most favorable to the State of Maine.

Construction of Lease Space

On November 5, 1969, Mr. Robert Verrier, representing V and B, Inc., submitted to the subcommittee a proposal to build a structure to house the State Highway Department which his firm would, in turn, lease to the State of Maine. The proposed building would contain 60,000 square feet of usable office space at an annual rental cost, services not included, of \$225,000 plus tax escalation of \$20,000.

In passing over Mr. Verrier's proposal, the subcommittee reasoned that the location of the proposed building was outside of the boundaries of an established master plan for the capitol complex (See Exhibit II) and raised some question as to overall convenience. Also, the subcommittee felt strongly that the State of Maine should not go into the field of longterm leasing of buildings for permanent occupancy but rather to adhere to the policy of state ownership.

Rental Fees

The subcommittee heard a proposal to the effect that the State might well consider charging a rental fee to such departments and agencies within State Government that operated with dedicated funds. It is believed that this proposal is not without merit. The idea of paying rent might motivate some agencies of government to keep down the number of employees and thus not be obligated to more space than they could reasonably pay for. The subcommittee, however, realizing that the proposition is new and that such agencies as have dedicated funds have made no provision for such payments at this time, saw fit to pass over this proposal.

New State Building

As the hearings continued it became evident that a major portion of the space problem appeared to center around

the State Highway Commission, presently the largest single occupant in terms of office space, now located in the State Office Building. Mr. David Stevens, Chairman of the State Highway Commission, by invitation, appeared before the subcommittee, and stated the Commission's willingness to cooperate but indicated reluctance on being the initiator of any building program.

Mr. Stevens gave a brief history of the space problems faced by his department over the past 10 years and told of the various solutions that have been attempted. He stated that although the Bureau of Public Improvements had recently given them some extra space, they still have 3 divisions located in 3 former private homes in Augusta and additional employees in the Vickery-Hill Building.

The State Highway Department occupies about 35,000 sq. feet of space but it was estimated an additional 60,000 sq. feet would take care of their needs for the next 3 years.

Mr. Stevens pointed out that the ideal solution would be an office building of their own, and that it was his feeling that the Commission could financially assist in maintaining a building from the General Highway Fund.

The subcommittee, concurred with Mr. Steven's that the relocation of the State Highway Department to its own building would solve the Governmental Office Space Problem for many years to come and enable those departments and

agencies that are now dispersed over the City of Augusta to return to one central area which would be to the benefit of all concerned.

A later meeting with the Capitol Planning Commission, created pursuant to chapter 458 of the Private and Special laws of 1967, indicated, for the orderly and aesthetic development of future State buildings and grounds in the capitol area of the city of Augusta, any proposed office structure such as a new state highway building should be located in building position number 1, according to the Commission's master plan adopted by the 104th Legislature (See Exhibit II).

Conclusion and Recommendations

As the problem of insufficient office space to properly carry on the business of the State again approaches critical stages and demands immediate action, the subcommittee with the approval of the Full Legislative Research Committee, makes the following recommendations in respect to the Capitol Complex area:

1. It is the Committee's belief that it would be in the best interests of the State if a minimum standard for individual office space could be established and maintained.

2. The Committee feels that the leasing of the

24,000 square feet of space at the Capitol Shopping Plaza is at best only a temporary solution to the space problem. However, in order to facilitate the leasing arrangements, the Committee recommends that a clause be inserted in the Appropriations Committee bill to be submitted at the Special Session of the Legislature as follows: P & S Laws, 1969, Chapter 199, Section A. under caption "Finance and Administration", Dept. of; Bureau of Public Improvements, Administration be amended after the statement, "Provides funds for leasing office space", by adding the following sentence. At the end of the 1969-70 year any unencumbered balances in the above account shall not lapse but shall be carried forward to the next fiscal year for the same purposes. The Committee recommends that no action be 3.

taken toward leasing the 4,000 square feet of additional space on the first floor of the Capitol Shopping Plaza.

4. The Legislative Research Committee strongly recommends that the State adhere to the policy of State ownership rather than negotiate for construction and long-term leasing of buildings. 5. The dedicated fund agencies of State Government have not made provision for the payment of rental fees; therefore, the Committee makes no recommendation on this matter.

6. As the Legislative Research Committee feels that the only permanent solution to the critical problem of space is the ultimate construction of an office structure, following the policy of state ownership, the Committee recommends that serious consideration be given the erection of a new office building within the capitol complex to house the State Highway Commission.

EXHIBIT I





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