

# MAINE STATE LEGISLATURE

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**MAINE PUBLIC DOCUMENTS**

**1952 - 1954**

**(in four volumes)**

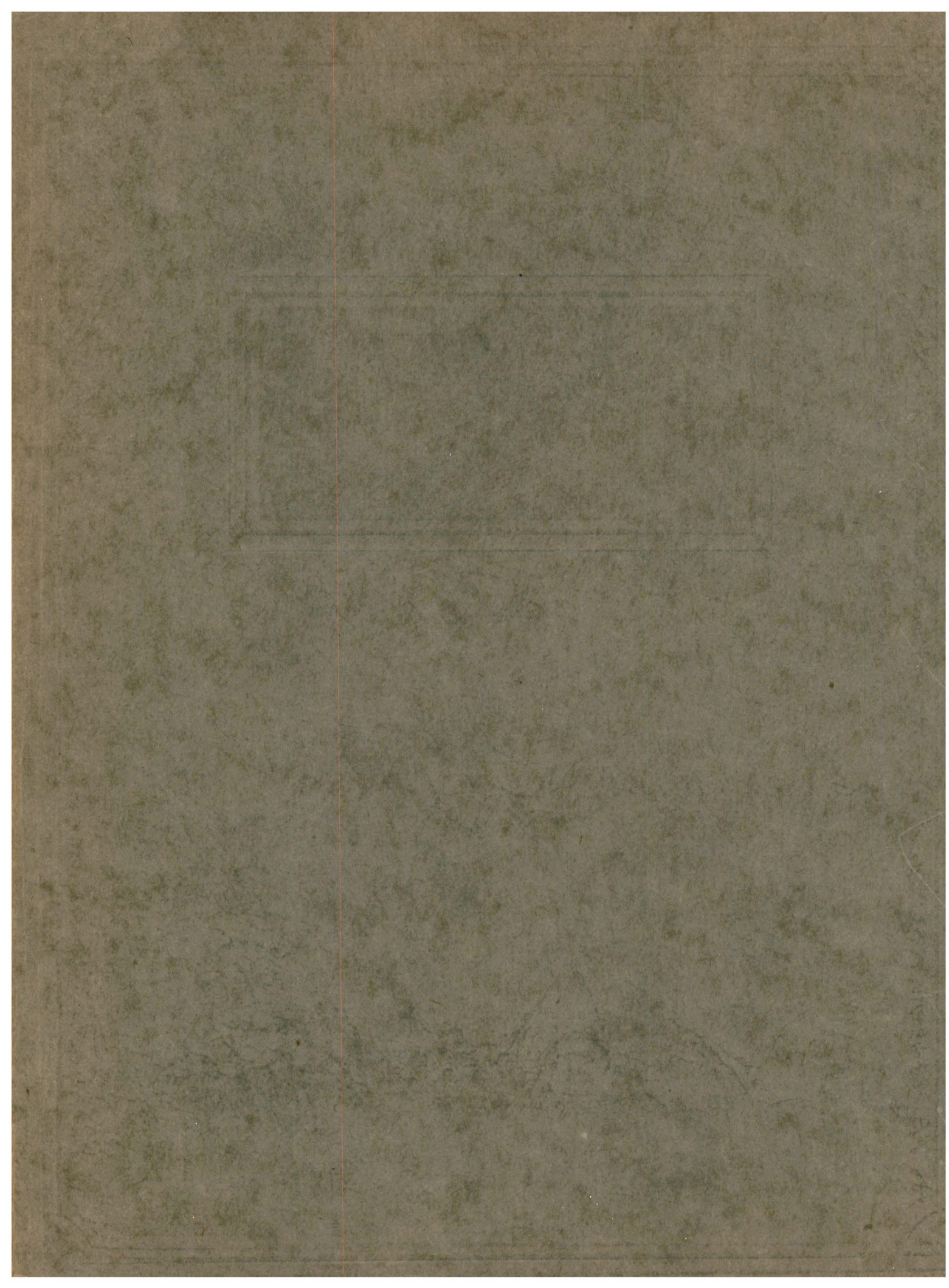
**VOLUME III**



**STATE OF MAINE**

Report on Survey of Estimated Costs In Con-  
nection with the Financing, Construction,  
Operation and Maintenance of a Proposed  
Addition to the State Capitol Building  
Augusta, Maine.







STATE OF MAINE

Report on Survey of Estimated Costs  
In Connection with the Financing,  
Construction, Operation and  
Maintenance of a Proposed Addition  
to the State Capitol Building  
Augusta, Maine

## FOREWORD

Under date of November 15, 1949 the firm of Ernst and Ernst submitted a report to the Maine State Office Building Commission setting forth the results of a survey conducted for the purpose of determining the space requirements of State departments, agencies and commissions in the city of Augusta, Maine.

One of the recommendations contained in the report indicated the need for an additional office building which would provide approximately 173,000 square feet of floor space to accommodate the personnel and records of State departments, agencies and commissions.

In order to provide the additional floor space recommended by the report it is proposed that a five story office building be erected on the northwest corner of the present State House grounds.

## DESCRIPTION OF PROPOSED OFFICE BUILDING

A tentative plot plan showing the location of the present State House, the proposed office building and the parking area opposite the proposed office building is included herein as Exhibit A.

Tentative sketch plans of the west and north elevations of the proposed office building are included herein as Exhibits B and C respectively.

The proposal is made that a building 312 feet long facing Grove Street on the west and 120 feet wide facing Capital Street on the north be erected on the present State House grounds. It is also proposed that an overhead connecting corridor approximately 70 feet long and 46 feet wide be constructed between the westerly side (rear) of the present State House and the easterly side of the proposed office building to provide access to all the State offices to be housed in both buildings. Sufficient clearance is proposed to permit the passage of cars and trucks over the present driveway at the westerly side of the State House.

As portrayed in Exhibits A and B, a main public entrance facing on Grove Street is proposed. Public parking facilities, on land owned by the State of Maine and the Maine State Office Building Authority, would be available on the opposite side of Grove Street.

An additional public entrance facing on Capital Street and one at the south end of the building have been provided.

Access to all floors in the proposed office building would be provided through the medium of two passenger elevators, two stairways at quarter points within the building, a freight elevator and the connecting corridor between the proposed office building and the present State House.

The proposed office building would be of fireproof construction and the framing of sufficient strength to permit the addition of two floors at a future date should the need arise.



Granite facing has been recommended for the exterior wall surfaces. This type of exterior wall treatment would be compatible with the exterior wall surfaces of the present State House and at the same time minimize construction costs.

In connection with the financing, construction, operation and maintenance of such a proposed five story office building there are submitted in the following paragraphs the results of a survey conducted for the purpose of obtaining estimates of costs pertaining thereto.

### FINANCING

While the estimated cost of constructing the proposed office building represents the major portion of the funds required for the project, there are other known and estimated costs which should be considered in the final determination of the amount of money to be borrowed.

As of January 22, 1951 the Maine State Office Building Authority had been advanced from the General Fund the sum of \$287,985.75 to cover expenditures in connection with the acquisition of property on Grove Street, Augusta, Maine, the cost of plans for a previously proposed office building and other expenses incident to the functioning of the Authority from July 23, 1941 to January 22, 1951.

Provision also should be made for the estimated expenses of the Authority from January 22, 1951 to the date of the awarding of a contract for the construction of the proposed office building. For the purposes of this report the sum of \$1,514.25 has been included in the tabulation of items to be financed.

In Exhibit D there will be found a tabulation of the items included in the total estimated requirement of \$3,000,000.00. It is proposed that financing of this amount be accomplished by the issuance of serial bonds to be retired at the rate of \$100,000.00 annually for a period of 30 years. Under existing conditions it appears that the interest rate on such a bond issue would be between 1 1/4% and 2% per annum.

### ESTIMATED COST OF PROPOSED OFFICE BUILDING

An estimate of the cost of the proposed structure was supplied by Mr. Joseph W. Leavitt of the Highway Department. The estimate of \$2,250,000.00 did not make provision for the cost of telephone service to the floor outlets throughout the proposed building, the cost of the overhead connecting corridor between the proposed office building and the present State House, the architect's fee nor contingencies and interest during construction.

Since more detailed sketches of the proposed office building would be required for the preparation of estimates of cost for the connecting corridor and telephone service, the sum of \$50,000.00 has been included in the estimate to provide for the construction of the corridor and the amount of \$15,000.00 for the telephone service.

An architect's fee of \$115,000.00, calculated at the rate of 5% on \$2,300,000.00 has been included in the estimate of the cost of the proposed office building.

The amount of \$243,000.00, to cover contingencies during the period of construction, has been included in the estimate and represents 10% of the estimated cost of the proposed office building exclusive of interest during construction.

Since it will be necessary to advance funds to the contractor during the course of the construction of the proposed office building, it would be advisable to provide these funds through the medium of short term borrowings over a construction period of approximately  $1\frac{1}{2}$  years. Assuming such funds would be available at a rate of  $1\frac{1}{2}\%$  interest, the sum of \$37,500.00 has been included in the estimate for the payment of interest charges during construction. The foregoing items are summarized in Exhibit D.

#### ESTIMATED COST OF OPERATION AND MAINTENANCE OF PROPOSED OFFICE BUILDING

An estimate of operating and maintenance costs for the first year of occupancy of the proposed office building was supplied by the Superintendent of Buildings. The estimate of \$120,604.00 did not make provision for the fire insurance coverage premium on the proposed office building and made provision for only \$6,000.00 in repairs.

Since it is practically impossible to plan every detail of a new structure and anticipate all of the conditions that may exist two years after the beginning of construction, it was deemed advisable to increase by \$7,589.00 the amount estimated for the first year's repairs, thus making the provisions for repairs \$13,589.00 which represents slightly more than  $1/2\%$  of the estimated cost of the proposed office building. It should be borne in mind that, as the proposed office building ages, this percentage of allowance for repairs should be increased progressively until a provision of at least  $2\%$  annually has been attained.

An estimate of the annual fire insurance premium on the proposed office building was obtained from the Insurance Department. The estimate of \$1,807.00 was predicated on an 80% co-insurance on a building valuation of \$2,710,500.00 and the assumption the coverage would be included in the current State insurance schedule.

Details of operating and maintenance cost estimates for the first year of occupancy of the proposed office building are summarized in Exhibit E. While the amount of \$130,000.00 has been set forth as an estimate of the first year's operating and maintenance cost, and debt service at \$145,000.00, it should be borne in mind that the total estimated annual requirement of \$275,000.00 will be constant throughout the thirty year period over which the debt will be amortized since it will be necessary to increase the annual provision for repairs by at least the amount of the reduction in annual interest requirements as outlined in Exhibit F.

#### ESTIMATE OF DEBT AND INTEREST REQUIREMENTS

Assuming the interest rate on the financing of the proposed project will be  $1\frac{1}{2}\%$ , the amount to be financed will be \$3,000,000.00 and amortization will be on a 30 year basis, the initial annual provision for debt service would be \$145,000.00. This amount will decrease at the rate of \$1,500.00 annually but as suggested in the



preceding paragraph there should be added to the annual provision for repairs an amount equivalent to the annual reduction in the provision for debt service.

Details of the annual requirements for debt service are set forth in Exhibit F.

#### ESTIMATED UNDEDICATED REVENUES

The area of the office space to be provided in the proposed office building will be approximately 173,000 square feet. Of this total it is proposed that approximately 45,000 square feet or 26% would be assigned to self-supporting activities. A tabulation of the area of the office space to be assigned to self-supporting activities will be found in Exhibit E.

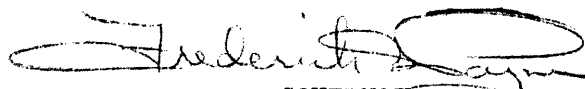
Assuming that a rental charge, based on the average square foot operating cost, would be collected from these self-supporting activities, the General Fund would receive an offsetting benefit of approximately \$72,000.00 annually on the basis of \$1.60 per square foot of occupancy.

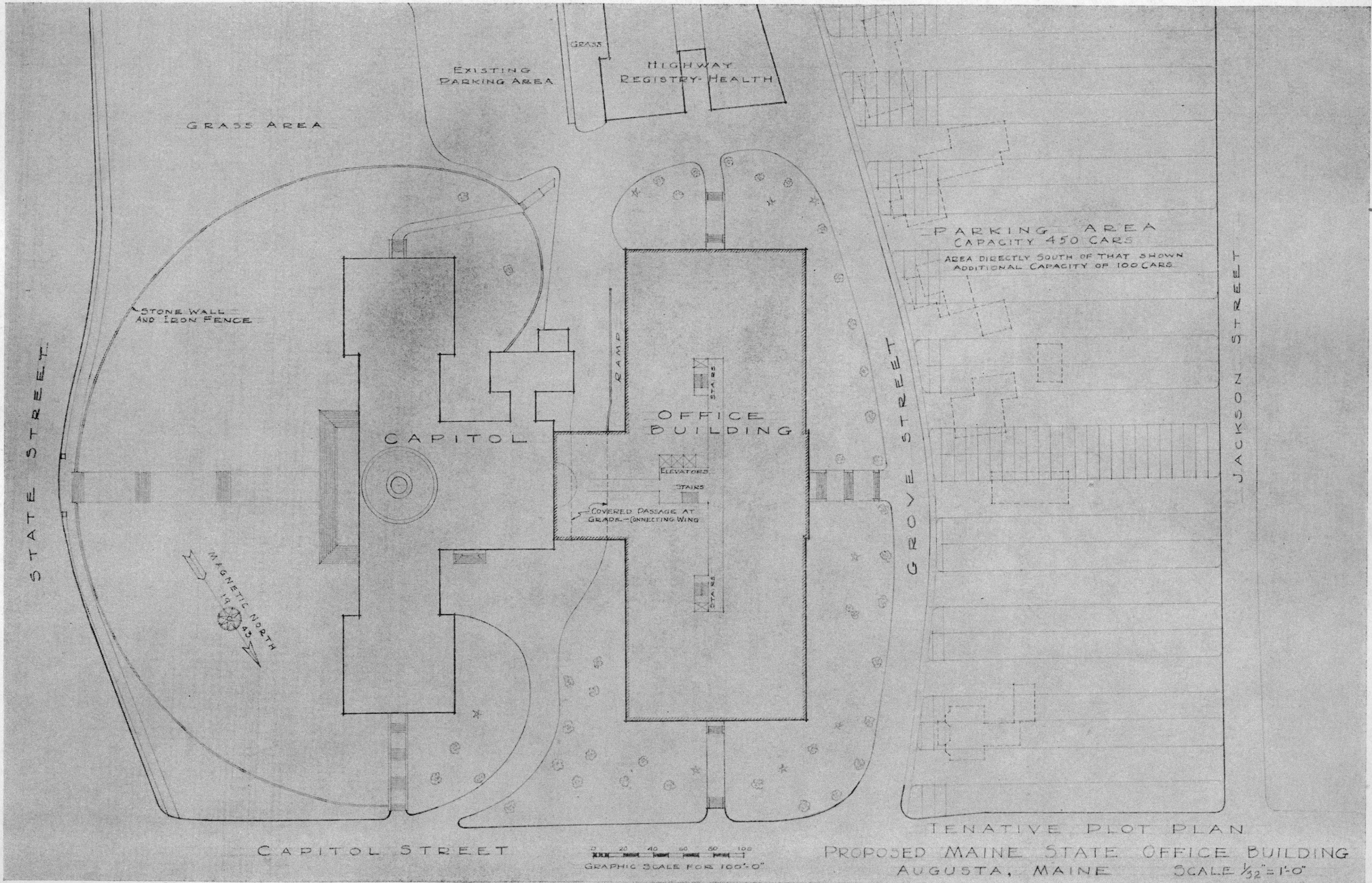
In view of the fact that self-supporting programs are subject to change with each session of the legislature it is recommended that any rental charges collected be taken into the General Fund as undedicated revenue. Such a procedure would facilitate the preparation of budgets for ensuing legislative sessions.

#### OTHER ITEMS

The foregoing estimates make no provision for the following items which should be borne in mind in connection with the over-all program of relocating the offices of practically all State departments. These items are as follows:

1. The cost of remodeling the present Highway-Health Building to accommodate the Department of Health and Welfare activities, a portion of which are located currently in other buildings in the City of Augusta.
2. The cost of remodeling the present State House building to accommodate the State offices to remain therein as outlined in the Ernst and Ernst Report.
3. The cost of increasing the present 172,000 lineal inches of Library shelving to approximately 392,000 lineal inches.
4. The cost of equipping the new cafeteria to seat and serve 288 persons.
5. The cost of restoring the Museum in the present State House.

  
 GOVERNOR



TENTATIVE PLOT PLAN  
 PROPOSED MAINE STATE OFFICE BUILDING  
 AUGUSTA, MAINE SCALE 1/32" = 1'-0"





WEST ELEVATION  
SCALE: 1" = 20'

TENTATIVE SKETCH PLANS *for*  
PROPOSED MAINE STATE OFFICE BUILDING  
AUGUSTA MAINE

12-30-50

EXHIBIT B





NORTH ELEVATION

0 10 20 30 40 50  
SCALE

5th Fl. 187.  
4th Fl. 176.  
3rd Fl. 165.  
2d Fl. 154.  
1st Fl. 143.  
Gr. 140.

T. S. H. O. N. E. U.  
GR. 130.

TENTATIVE SKETCH PLANS *for*  
PROPOSED MAINE STATE OFFICE BUILDING  
AUGUSTA MAINE

## STATE OF MAINE

## Proposed State Office Building

Schedule of Estimated and Known Costs to be  
Financed in Connection with Proposed Office Building

Estimated Cost of Structure	\$2,250,000.00		
Estimated Cost of Passageway	<u>50,000.00</u>	\$2,300,000.00	
Architect's Fee @ 5%		115,000.00	
Estimated Cost of Telephone Service		<u>15,000.00</u>	\$2,430,000.00
Estimate for Contingencies - 10%			243,000.00
Interest during Construction:			
\$ 500,000.00 for 18 months) @ 1½%			
1,000,000.00 for 12 months) per			
1,500,000.00 for 6 months) annum			<u>37,500.00</u>
Total Estimated Cost of Structures			\$2,710,500.00
General Fund Advance to be Repaid			287,985.75
Estimated Additional Maine State Office Building Authority Expenses			<u>1,514.25</u>
Total Amount to be Financed			<u><u>\$3,000,000.00</u></u>



## STATE OF MAINE

## Proposed State Office Building

Schedule of Estimated Annual Operating Costs  
Debt Service and Estimated Revenues

## Estimate of Operating and Maintenance Costs:

Personal Services				\$78,884
Contractual Services:				
Professional Fees and Special Services	\$	760		
Utility Service		17,000		
Repairs		13,589		
Insurance		1,807		
General Operating Expense		<u>600</u>	33,756	
Commodities:				
Fuel		10,000		
Office Supplies		360		
Other Departmental Supplies		<u>7,000</u>	<u>17,360</u>	\$130,000
Interest and Debt Retirement				<u>145,000</u>
Total Estimated Annual Operating Requirements				<u>\$275,000</u>

Estimated Floor Area 173,000 sq. ft.

Estimated Annual Cost per square foot \$1.60  
 (\$275,000 divided by 173,000 = \$1.60)

Estimated Area of Floor Space to be assigned to  
 Self-Supporting Activities:

Highway Department	32,517	sq. ft.
Fish and Game Department	7,373	" "
Milk Commission	1,043	" "
Agriculture Department	840	" "
Insurance Department	828	" "
Taxation Department	780	" "
Real Estate Commission	583	" "
Municipal Audit Division	540	" "
Sea and Shore Fisheries	300	" "
Forestry District	300	" "
Bureau of Purchases	160	" "
Total	<u>45,264</u>	" "

## Estimated Revenues:

Approximately 45,000 square feet @ \$1.60 per square foot \$72,000  
 (Does not include revenue from space to be occupied by  
 the Cafeteria, News Stand or Credit Union.)

## STATE OF MAINE

## Proposed State Office Building

Schedule of Annual Debt Requirements  
 Based on an Annual Reduction of \$100,000 for  
 a Period of 30 Years with Interest at the Rate of  $1\frac{1}{2}\%$   
 Per Annum

Beginning of 1st Year	End of Year	Annual Requirements			Unpaid Principal
		Interest	Principal	Total	
					\$3,000,000
	1st	\$ 45,000	\$ 100,000	\$ 145,000	2,900,000
	2nd	43,500	100,000	143,500	2,800,000
	3rd	42,000	100,000	142,000	2,700,000
	4th	40,500	100,000	140,500	2,600,000
	5th	39,000	100,000	139,000	2,500,000
	6th	37,500	100,000	137,500	2,400,000
	7th	36,000	100,000	136,000	2,300,000
	8th	34,500	100,000	134,500	2,200,000
	9th	33,000	100,000	133,000	2,100,000
	10th	31,500	100,000	131,500	2,000,000
	11th	30,000	100,000	130,000	1,900,000
	12th	28,500	100,000	128,500	1,800,000
	13th	27,000	100,000	127,000	1,700,000
	14th	25,500	100,000	125,500	1,600,000
	15th	24,000	100,000	124,000	1,500,000
	16th	22,500	100,000	122,500	1,400,000
	17th	21,000	100,000	121,000	1,300,000
	18th	19,500	100,000	119,500	1,200,000
	19th	18,000	100,000	118,000	1,100,000
	20th	16,500	100,000	116,500	1,000,000
	21st	15,000	100,000	115,000	900,000
	22nd	13,500	100,000	113,500	800,000
	23rd	12,000	100,000	112,000	700,000
	24th	10,500	100,000	110,500	600,000
	25th	9,000	100,000	109,000	500,000
	26th	7,500	100,000	107,500	400,000
	27th	6,000	100,000	106,000	300,000
	28th	4,500	100,000	104,500	200,000
	29th	3,000	100,000	103,000	100,000
	30th	1,500	100,000	101,500	-
Totals		<u>\$ 697,500</u>	<u>\$3,000,000</u>	<u>\$3,697,500</u>	