



State of Louisiana – Division of Administration
Office of Facility Planning and Control



Feasibility Study for Consolidation of
State Agency Office Facilities in the Shreveport Area
FINAL REPORT
May 22, 2012

Submitted by



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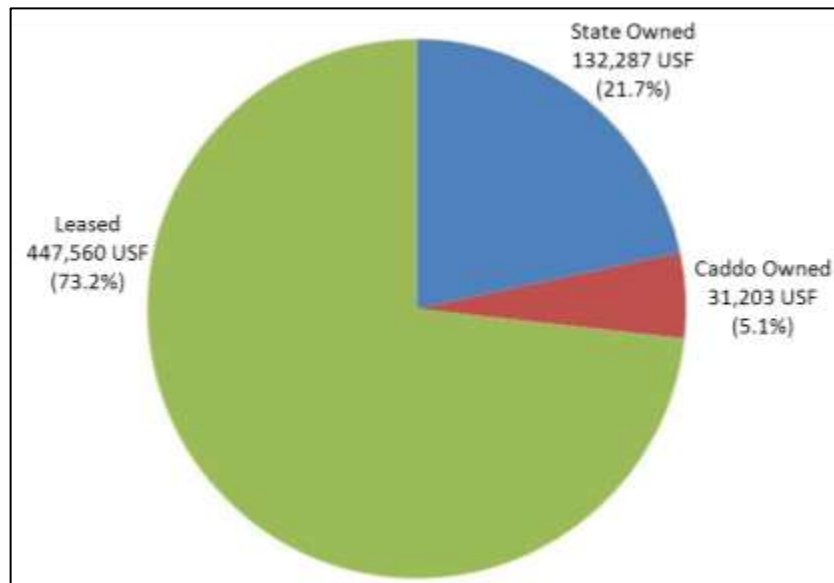
I. Executive Summary

The State of Louisiana (“State”) is undertaking this Feasibility Study in response to House Concurrent Resolution 202 of the 2009 Regular Session of the Legislature. Completion of this Feasibility Study is a prerequisite to the State’s provision of \$3 million in funding to provide building mechanical and electrical renovations to the Mary Allen State Office Building (SOB). Renovation of the SOB, or pursuit of an alternative space planning strategy, is critical as many of the SOB’s systems are approaching or have exceeded the end of their useful lives. This Feasibility Study seeks to right-size the State’s portfolio and consists of a quantitative and qualitative analysis that evaluates the feasibility of consolidating State agencies into a single downtown Shreveport location.

Portfolio Overview

As shown in the following figure, the State’s portfolio in Shreveport consists of 611,050 usable square feet (USF) of owned and leased space dispersed among 48 distinct users. The segment labeled “Caddo Owned” represents space owned by Caddo Parish and provided to the State through a no-cost lease.

Figure 1: Total Portfolio by Ownership Type

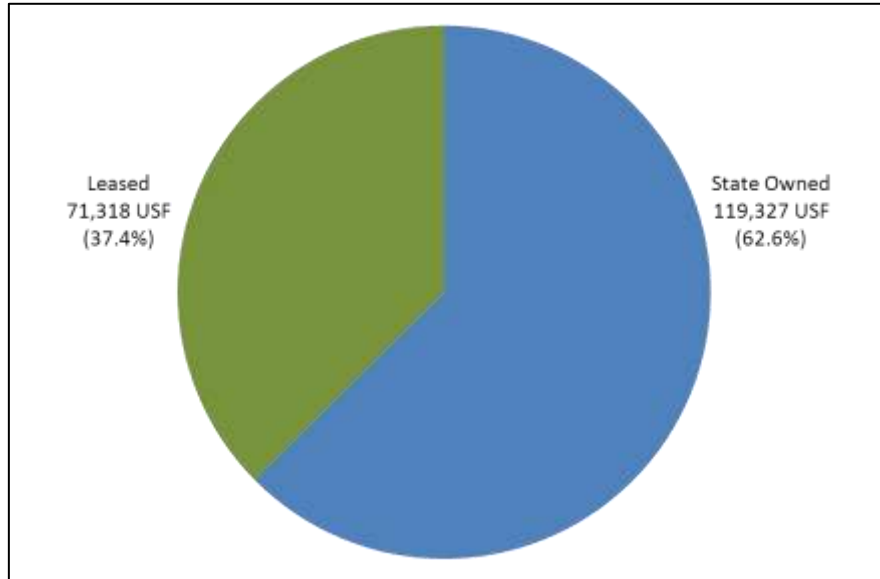


Source: Office of Facilities Planning and Control

Due to the unique nature of the non-administrative space occupied by several State agencies, the State requested that 321,689 USF of leased space—representing a little more than half (52.6 percent) of its total overall Shreveport portfolio—be excluded from this study. An additional 98,716 USF of space—representing 16.2 percent of its total overall Shreveport portfolio—was also excluded due to: non-administrative specialized use (e.g., criminal justice, laboratory/Research & Development, shelter and warehouse space); current location being more suitable for high foot traffic, parking and other mission requirements; and/or existence of a no-cost lease.

The remaining 190,645 USF of space to be addressed in this Feasibility Study is scattered among 10 locations—two owned (119,327 USF) and nine leased (71,318 USF)—within the City of Shreveport. The figure below shows the ownership breakdown for space included for further analysis.

Figure 2: Space Included in Feasibility Study by Ownership Type



Source: Office of Facility Planning and Control

Overview of Assets

The assets evaluated in this Study are shown in the following table.

Table 1: Overview of Assets

Asset(s)	
Mary Allen SOB	<ul style="list-style-type: none"> ▪ Built for private occupancy in the 1930s and later expanded in the 1950s ▪ Purchased by State in mid-1970s. ▪ Most building systems are approaching or have exceeded the end of their useful lives; State must make a significant infrastructure investment to allow the building to remain operationally sound ▪ Systems most impacted by age include plumbing, heating and cooling, air ducts, and electrical ▪ Estimated cost to renovate is \$17.2 million (\$81.72 GSF) over five years ▪ No known historic considerations
Jordan Street Building	<ul style="list-style-type: none"> ▪ 1-story, 2,140 USF building that houses the State Fire Marshal ▪ Located across the street from the existing SOB ▪ Estimated cost to renovate less than \$250K total (<\$81.21 GSF)
Private Leased Space Analyzed in Study	<ul style="list-style-type: none"> ▪ Include 71,318 USF of space scattered among 12 leases and 9 locations ▪ Represents 12 percent of the total portfolio and 37 percent of space included for further study

Candidate Agencies and Space Suitable for Consolidation

For the purposes of the scenario development and analysis to be presented in Sections V and VI of this report, the Team reviewed the respective requirements of State users of space in Shreveport to determine the optimal housing location for each user relative to its mission requirements.

Table 2: Candidate Agencies and Space Suitable for Consolidation

Candidacy Type	Agency
Continued Consolidation in State-Owned Space	Administration, Office of State Buildings * Revenue, LRS * State Agencies Credit Union * Elderly Affairs * Group Benefits * DEQ * DCFS, Regional Office * DNR, Conservation * DPSC, Capital Police * DCFS, Child Welfare Caddo * DCFS, Child Welfare Regional * State Fire Marshal
Relocation from Leased Space into Consolidated, State-Owned Space	Attorney General, Risk Litigation Division * DSCS, Division of Administrative Law * PSC, District 5 * DPSC/OSP, Criminal Investigations Division, Insurance Fraud & Auto Theft * DPSC/OSP, Gaming Enforcement Division * Financial Institutions * Mental Health Advocacy Service * LWC, Office of Worker's Compensation * DCFS, Disability Determinations Service * DHH, Medical Vendor Administration * DHH, ADA Compliance * DHH, Region 7 Administrative Counsel * DHH, Region 7 Health Standards
Relocation from Consolidated, State-Owned Space into Private Leased Space	DCFS, Child Support Enforcement * DCFS, Economic Stability * DPSC, Office of Juvenile Justice * LWC, Rehabilitation Services

Preferred Adjacencies and Adjacency Conflicts

Occupants for whom adjacency within the same floorplate or building could result in greater mission effectiveness, or for whom adjacencies within the same building or floorplate could result in conflict due to safety and/or confidentiality reasons, are identified in the table below:

Table 3: Preferred Adjacencies and Potential Adjacency Conflicts

Occupant	Preferred Adjacency
DCFS, Child Welfare	▪ Same Building: Other DCFS agencies except Child Support Enforcement
DCFS, Economic Stability	▪ Same Building: Other DCFS agencies except Child Support Enforcement
DHH, Region 7 Health Standards	▪ Same Building: DHH, Medical Vendor Administration
LWC, Rehabilitation Services,	▪ Same Building: Other LWC agencies
LWC, Workforce Support and Training	▪ Same Building: Other LWC agencies ▪ Same Building: DCFS Economic Stability
Occupant	Potential Adjacency Conflict
DCFS, Child Welfare	▪ Same Floor: DCFS, Child Support Enforcement
DCFS, Economic Stability	▪ Same Floor: DCFS, Child Support Enforcement
DHH, State Laboratory	▪ Same Building: All State Agencies

Security, Operations and Technology Requirements

Security, technology and operations requirements are generally in line with the standard office requirements for many State agencies. However, certain users have specific mission- or operations-driven requirements, which were considered as part of this feasibility study. These requirements include space or rooms with secure access, on-site security guards, secure building entry, enhanced space security, and technology enhancements.

From an operations standpoint, the State generally requires provision of standard office services such as basic utilities, janitorial services, operations and repairs, and ground maintenance. There are many private office buildings can accommodate the State's building operation needs, especially where the State would be the primary tenant.

Real Estate Market Overview

The study area for this analysis is delineated in the following figure.

Figure 3: Shreveport Consolidation Study Area & 4Q 2011 Office Key Market Indicators, Study Area



Indicator		Trend	Metric
Stock (Gross)		↔	5,099,229 RSF
Direct Net Absorption		↑	161,472 RSF
Direct Vacancy Rate		↓	13.7%
Average Asking Rent		↔	\$11.67
Under Construction		↔	0 RSF
↓ = Decreasing	↔ = Constant	↑ = Increasing	

The study area was evaluated based on market strength as measured by prevailing rental rates, vacancy rates, and absorption rates. The area was also assessed based on space availability, outlook, and the feasibility of consolidating State of Louisiana office facilities in the Shreveport area. Shown in the table below are key indicators for the study area which, despite higher net absorption and less direct vacancy, indicate a stable Shreveport office market in the short-run.

Sufficient vacant space and land for a new contiguous SOB are limited, especially in the Central Business District (CBD). Currently, there is only one existing office building in the study area for sale (509 Marshall Street) that could possibly accommodate the State's space requirements. However, it is a Class C building and may not meet customer agency needs without significant renovation. What's more, while there is considerable direct vacancy in the Shreveport market, there are limited large contiguous blocks of space available to house multiple agencies, with only one building possessing more than 20,000 RSF of contiguous vacant space (as of Spring 2012). Unless an entire building is vacated, it is unlikely that an existing building in the Shreveport area could accommodate the needs of all of the State's customer agencies (for whom consolidation is a feasible option) in one contiguous space. However, build-to-suit opportunities may be feasible, especially in areas south of the CBD, as multiple large land parcels and sufficient parking facilities are present.

Scenario Development

To identify a preferred alternative, the Team considered current market conditions, physical space constraints, and asset management options for owned assets to develop four scenarios. The following four scenarios were analyzed as part of this feasibility study:

- Baseline: Modernization of SOB
- Scenario 1: Construct 149K GSF Office Building in Downtown Shreveport
- Scenario 2: Construct 72K GSF Office Building in Downtown Shreveport
- Scenario 3: Lease Existing Office Space in Downtown Shreveport

Each scenario was evaluated based on impact to overall portfolio, timeline, financial criteria, and qualitative criteria.

Financial Results

The following table contains summary results of the 20-year net present value analysis.

Table 4: Financial Analysis Summary

Cost Item	Baseline: Modernize SOB	Scenario 1: Construct 149K GSF Building	Scenario 2: Construct 72K GSF Building	Scenario 3: Lease Existing Office Space
Recurring Occupancy Costs				
Private Sector Leases	\$16,906,292	\$15,119,830	\$26,070,774	\$39,753,259
Existing State Office Building OPEX	\$20,671,725	\$3,899,411	\$3,342,755	\$1,449,810
New State Office Building OPEX	\$0	\$10,927,644	\$5,452,020	\$0
Capital Reserves	\$1,401,013	\$1,306,577	\$773,740	\$142,341
Total Recurring Occupancy Costs	\$38,979,031	\$31,253,462	\$35,639,289	\$41,345,410
Non-Recurring Project Costs				
Total Relocation and Transition Costs	\$282,757	\$479,948	\$482,205	\$472,856
Land Purchase	\$0	\$3,494,618	\$1,729,892	\$0
Capital Improvements	\$16,608,581	\$33,971,340	\$16,901,362	\$0
Furniture, Fixtures, & Equipment (FFE) ¹	\$0	\$7,270,975	\$7,266,479	\$7,483,596
Total Non-Recurring Project Costs	\$16,891,338	\$45,216,881	\$26,379,937	\$7,956,453
Financing Costs				
Interest on Loan Proceeds	\$7,829,200	\$17,138,267	\$8,742,327	\$0
Total Financing Costs	\$7,829,200	\$17,138,267	\$8,742,327	\$0
TOTAL OBLIGATIONS	\$63,699,569	\$93,608,609	\$70,761,553	\$49,301,862
Accumulated Deferred Maintenance	\$0	\$0	\$0	\$0
Reversion Value	\$2,477,286	\$7,529,460	\$3,638,213	\$0
Sale Proceeds from SOB & Jordan St	\$0	\$957,477	\$937,783	\$918,495
TOTAL PROPERTY VALUE	\$2,477,286	\$8,486,936	\$4,575,996	\$918,495
TOTAL SCENARIO COSTS	\$61,222,283	\$85,121,673	\$66,185,557	\$48,383,368
TOTAL LOAN PROCEEDS	\$17,539,249	\$39,875,708	\$19,584,866	\$0

¹ FFE totals include \$2.5M borne by agencies assumed to move into 58,693 GSF of private leased space in Scenario 1, and \$4.9M borne by agencies assumed to move into 113,047 GSF of private leased space in Scenario 2. In Scenario 3, all FFE costs are borne by agencies assumed to move into 168,908 GSF of private leased space.

The results of the financial analysis are driven by a set of assumptions regarding project development and operating costs. To ensure a robust evaluation, we conducted a sensitivity analysis on those assumptions that are most sensitive to increases or decreases, specifically construction costs and rental rates. This analysis is summarized by the following:

- For the Scenario 2 NPV to equal the Baseline NPV, construction costs would need to be reduced by 15 percent or land must be acquired at zero cost.
- For the Scenario 2 NPV to equal the Scenario 3 NPV, construction costs would need to be reduced by more than 50 percent or rental rates would need to be increased from \$14/USF to \$26/USF.
- Scenario 2 will always result in a lower NPV than Scenario 1.

Qualitative Results

The Team also assessed the benefits and constraints of the each scenario relative to the State's strategic goals for both this Study and the management of FP&C real property State-wide. The qualitative evaluation criteria shown in the following table were developed to measure the benefits and constraints of each scenario relative to the Study objectives. Evaluation criteria elements that align with FP&C mission and goals are identified in bold font.

Table 5: Evaluation Criteria

Criteria	Description
Efficiency	<ul style="list-style-type: none"> ▪ Enhances achievement of the State's mission by creating adjacencies and co-locations that improve operational efficiency while increasing organizational cohesiveness and effectiveness ▪ Provides optimum utilization of the State's fixed assets
Capital Deployment	<ul style="list-style-type: none"> ▪ Results in cost-effective, quality capital investments through an appropriate mix of State-owned versus lease space ▪ Reduces the expenditures for State-leased facilities ▪ Reduces energy consumption in State-occupied facilities
Flexibility	<ul style="list-style-type: none"> ▪ Allows flexibility to accommodate future changes in space needs and evolving requirements on both an Agency and portfolio basis
Location	<ul style="list-style-type: none"> ▪ Addresses key location requirements, preferences and constraints of State agencies ▪ Provides for agency and customer access via public transit and major highways/thoroughfares
Suitability	<ul style="list-style-type: none"> ▪ Provides functionally appropriate and secure space for users ▪ Conforms with building codes, environmental standards and quality requirements

Ratings were assigned based on the extent to which each scenario 'Exceeds,' 'Partially Exceeds,' 'Meets,' 'Partially Meets,' or 'Fails to Meet' the evaluation criteria. Benefits are denoted with a plus sign (+) and constraints are denoted with a minus sign (-). A summary of the qualitative assessment is shown in the following table.

Table 6: Qualitative Analysis Summary

	Baseline: Modernize SOB	Scenario 1: Construct 149K GSF Building	Scenario 2: Construct 72K GSF Building	Scenario 3: Lease Existing Office Space
Operational Efficiency				
Capital Deployment				
Flexibility				
Location				
Suitability				
Summary Rating				
Owned vs. Leased (Portfolio)	22% / 78%	21% / 79%	12% / 88%	2% / 98%

	Exceeds		Partially Exceeds		Meets		Partially Meets		Does Not Meet
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Conclusions and Recommendations

Scenario 2 presents the best option for the consolidation of State agencies in a downtown location when considering both the quantitative and qualitative evaluation criteria. This scenario maintains a State-owned presence while leveraging advantages of leasing in a low-cost market. It reduces the State's owned and leased footprint by approximately 24,000 USF through more efficient space utilization and provides the State with flexibility to adjust to changes in space needs, such as agency reductions, by not building a larger fixed asset. Further study may reveal that additional footprint and cost reductions can be achieved through implementation of teleworking, hoteling, space sharing and other alternative workplace strategies.

Should consolidation in a downtown location not be chosen, modernization of the SOB presents the best stand-alone asset management strategy.

II. Introduction

Jones Lang LaSalle (“Team”) is pleased to present this Feasibility Study for Consolidation of State Agency Facilities in the Shreveport Area (“Feasibility Study”). This Feasibility Study is designed to provide the State of Louisiana’s (“State”) Office of Facility Planning and Control (“FP&C”) with a comprehensive overview and analysis of their existing Shreveport real estate portfolio and current customer agency space needs and requirements. The Feasibility Study consists of an evaluation of the portfolio assets, customer agencies, and real estate market. The analysis includes a review of the State’s owned and leased assets within the Shreveport area, its customer agencies’ current and future occupancy requirements, local market conditions, and potential strategies for the State to maximize use of its existing real estate portfolio while maintaining customer satisfaction and minimizing costs. In addition, the Feasibility Study evaluates whether the State’s goals can be accomplished through the consolidation of space in a central downtown location.

A. Background

The State is undertaking this Feasibility Study in response to House Concurrent Resolution 202 of the 2009 Regular Session of the Legislature. Completion of this Feasibility Study is a prerequisite to the State’s provision of \$3 million in funding to provide building mechanical and electrical renovations to the Mary Allen State Office Building (SOB). Renovation of the SOB, or pursuit of an alternative space planning strategy, is critical as many of the SOB’s systems are approaching or have exceeded the end of their useful lives. In addition, as a result of the recent Statewide reduction of the governmental workforce, there may be an oversupply of government office space in Shreveport that exceeds current and future needs. This Feasibility Study will seek to right-size the State’s portfolio and will consist of a quantitative and qualitative analysis of the feasibility of consolidating State agencies into a single location in Shreveport.

B. Goals and Objectives

The State’s goals and objectives for this Feasibility Study include the following:

- Provide a determination of reasonable space needs per each tenant agency relative to current and future State workforce demands.
- Evaluate how best to meet the current and future space needs of the tenant State agencies.
- Assess the feasibility of consolidating State agencies into a downtown Shreveport location.

The Feasibility Study is designed to assist the State in both understanding the details of its assets and customer agencies within the context of the entire portfolio and developing an appropriate strategy for future portfolio performance maximization.

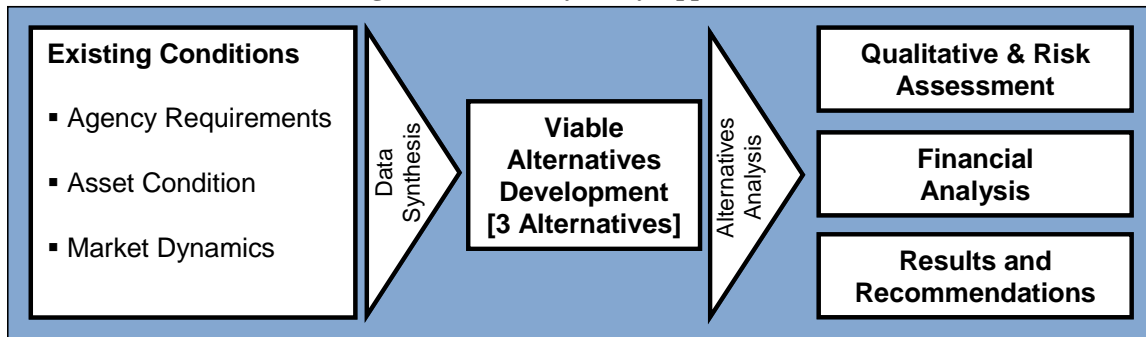
C. Approach and Methodology

Jones Lang LaSalle and the State collaborated to perform an analysis of the current Shreveport area portfolio and to devise long-term strategies for future housing of the State’s tenant agencies. Through communication with the State, the Team was able to identify the State’s goals and

objectives for its Shreveport portfolio. This document outlines the aim for the Shreveport portfolio, including an overview of the portfolio's current state, as well as strategies for future implementation to maximize portfolio performance.

To create a comprehensive study that meets the goals and objectives of the State, the Team devised a detailed analytical approach to guide the project from start to finish. This approach is reflected in the graphic below.

Figure 4: Feasibility Study Approach



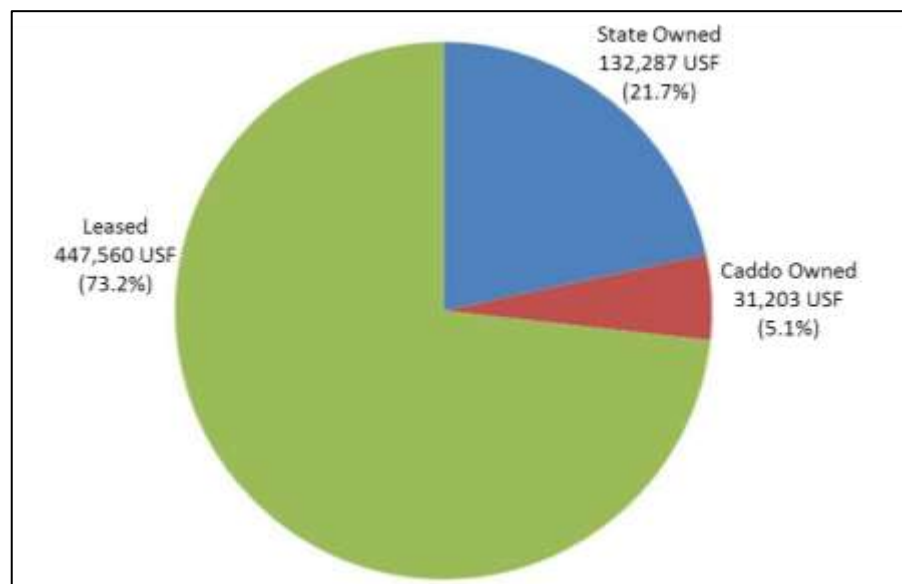
To arrive at a recommended alternative, the Team incorporated the multiple elements outlined above. In addition to input from the State, the Team also relied on first-hand observations, building condition data, data received from customer agency questionnaires and interviews, and third-party resources such as CoStar and RS Means. The Team conducted extensive market research, including meetings with local government officials and private real estate experts. Finally, the Team conducted financial and qualitative analyses and evaluated potential implementation constraints associated with the different alternatives before developing recommendations.

III. Portfolio Overview

A. Entire Portfolio

FP&C is located within the Division of Administration, which reports directly to the Governor. FP&C is the entity charged with management of the State's owned and leased portfolio of real property. In the Shreveport area, FP&C is responsible for the procurement and management of 611,050 usable square feet (USF) of owned and leased space dispersed among 48 distinct users of space (departments, agencies, etc.)². A breakdown of the State's Shreveport-area portfolio by ownership type is shown in the following figure. The segment labeled "Caddo Owned" represents space owned by Caddo Parish and provided to the State through a no-cost lease.

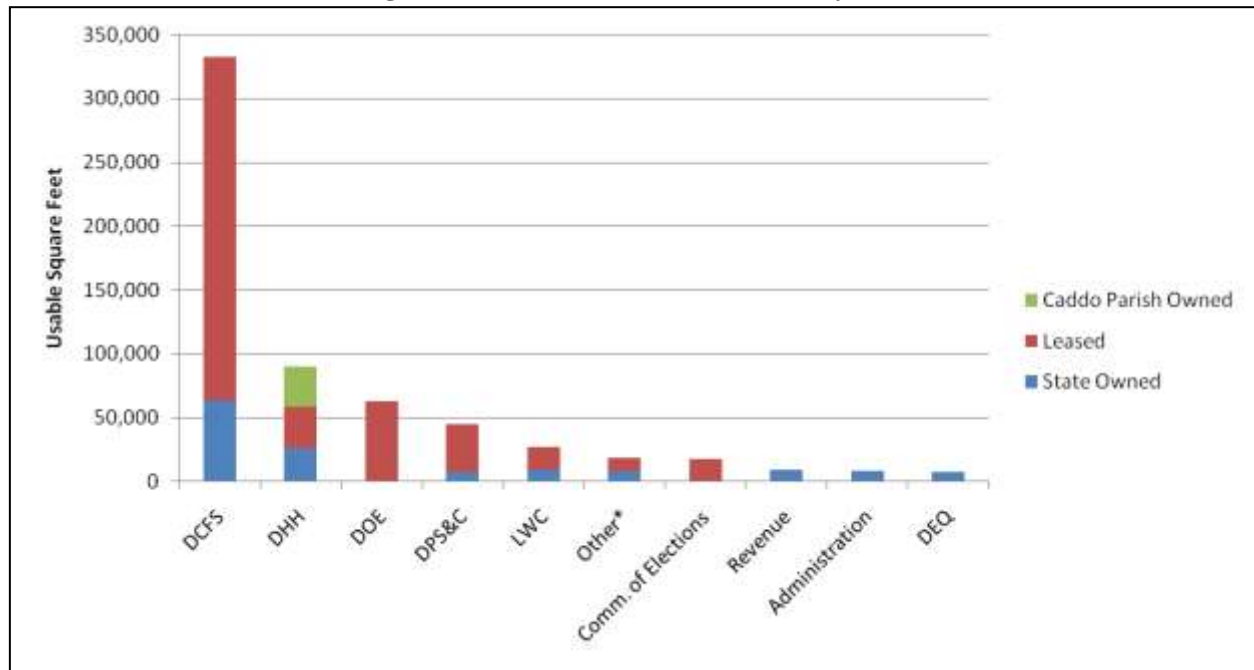
Figure 5: Total Portfolio by Ownership Type



Source: Office of Facilities Planning and Control

The following figure illustrates the distribution of State-owned and leased space among the various users occupying space in the Shreveport area. Within the "Other" category are spaces less than 5,000 USF and include: Attorney General, Natural Resources, Elderly Affairs, Mental Health Advocacy Service, Public Service Commission, State Civil Service, Financial Institutions, Group Benefits, Cafeteria, Credit Union, and 1,692 USF of vacant space.

² Includes the Credit Union but not the cafeteria

Figure 6: Distribution of Total Portfolio by User

Source: Department of Facilities Planning and Control

B. Focus of Feasibility Study

1. Space Excluded from Analysis

Due to the unique nature of the non-administrative space occupied by several State agencies, the State requested that 321,689 USF of leased space—representing a little more than half (52.6 percent) of its total overall Shreveport portfolio—be excluded from this study. An additional 98,716 USF of space—representing 16.2 percent of its total overall Shreveport portfolio—was also excluded due to: non-administrative specialized use (e.g., criminal justice, laboratory/Research & Development, shelter and warehouse space); current location being more suitable for high foot traffic, parking and other mission requirements; and/or existence of a no-cost lease. Spaces selected for exclusion include those listed in the following table.

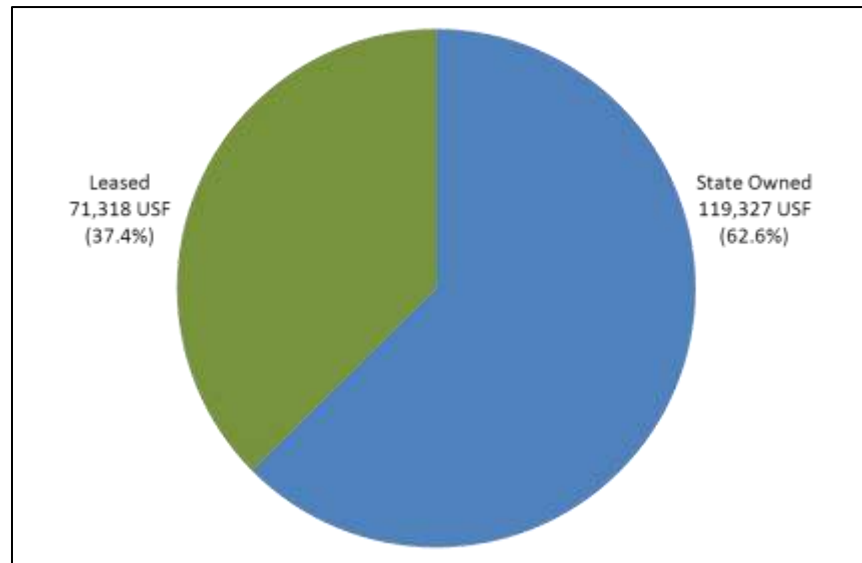
Table 7: Spaces Excluded from Study

Department	% of Department	USF	% of Total Portfolio
Spaces Excluded per FP&C Guidance			
Commissioner of Elections - Parish Warehouse	100.0%	18,000	2.9%
DCFS – Shelter Space	40.4%	134,404	22.0%
DCFS – Emergency Shelter	32.0%	106,335	17.4%
DOE – All Leases	100.0%	62,950	10.3%
Subtotal: Spaces Excluded per FP&C Guidance		321,689	52.6%
DHH – OBH, Children Services	4.6%	3,848	0.6%
DHH – OBH, Adult Services	15.5%	12,960	2.1%
DHH – OPH, Caddo Parish Health Unit	16.8%	14,000	2.3%
DHH – State Laboratory	37.4%	31,203	5.1%
LWC – Workforce Support & Training	33.7%	8,999	1.5%
DPSC – Adult P&P	40.2%	18,005	2.9%
DPSC – OMV	21.7%	9,701	1.6%
Subtotal: Additional Spaces Excluded from Study		98,716	16.2%
Total Spaces Excluded from Study		420,405	68.8%

2. Remaining Space for Further Study

The remaining 190,645 USF of space to be addressed in this Feasibility Study is scattered among 10 locations—two owned (119,327 USF) and nine leased (71,318 USF)—within the City of Shreveport. Shown below is the ownership breakdown for space included for further analysis.

Figure 7: Space Included in Feasibility Study by Ownership Type

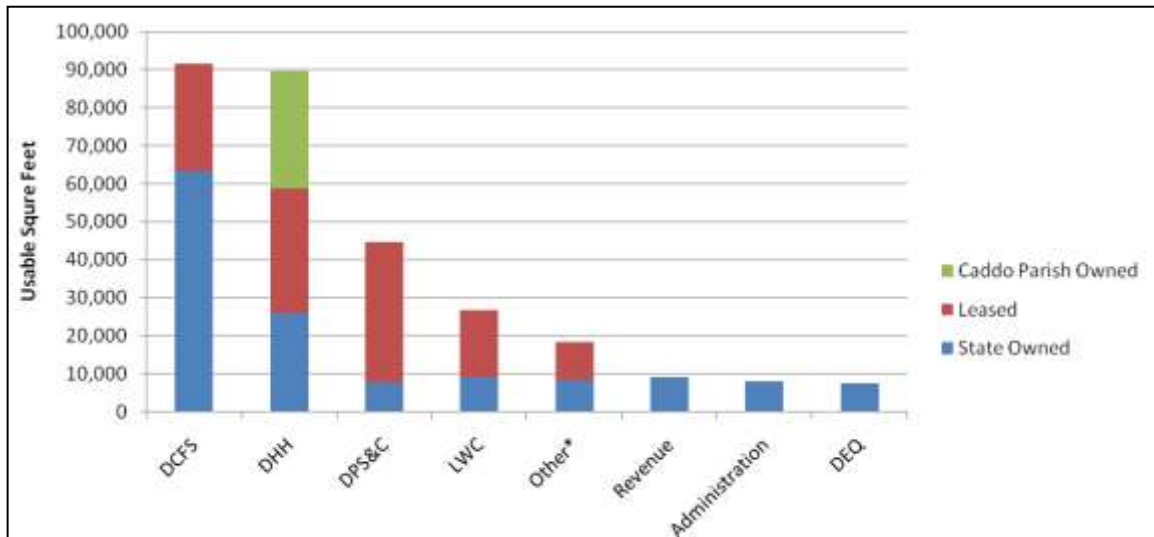


Source: Office of Facility Planning and Control

The following figure illustrates the distribution of owned and leased space to be evaluated for potential consolidation as part of this Feasibility Study. Within the “Other” category are spaces less

than 5,000 USF and include: Attorney General, Natural Resources, Elderly Affairs, Mental Health Advocacy Service, Public Service Commission, State Civil Service, Financial Institutions, Group Benefits, Cafeteria, Credit Union, and 1,692 USF of vacant space.

Figure 8: Distribution of All Space Included in Feasibility Study by User



Source: Office of Facility Planning and Control

3. Stated-Owned Assets Analyzed in Study

The following State-owned assets in Shreveport comprise a total of 119,327 USF:

- Mary Allen State Office Building (117,187 USF)
- Jordan Street Building (2,130 USF)

Additional information about these buildings are contained in the paragraphs below.

a) *Mary Allen SOB (“Existing SOB”)*

With 98 percent of all State-owned space and 62 percent of total space included for further study located at this building, the existing SOB is the key area of focus for this Feasibility Study. Built for private occupancy in the 1930s and later expanded in the 1950s, the State purchased the existing SOB in the mid-1970s.

During discussion with State officials, it was shared that most of the building systems are approaching or have exceeded the end of their useful lives. As a result, the State must make a significant infrastructure investment to allow the building to remain operationally sound. Building systems most impacted by age include plumbing, heating and cooling, air ducts, and electrical.



According to a capital outlay request prepared in October 2010, it would cost an estimated \$17.2 million (\$81.72 GSF) over five years to renovate the existing SOB. Included in this scope would be mechanical and electrical renovations; additional improvements identified in inspection reports

prepared by VFA, Inc. and the Office of State Buildings 5-Year Capital Outlay Plan; relocation expenses and other miscellaneous costs (such as private lease space for “swing space” for two years); and fees for planning and design, construction contingency, and a State-mandated donation to the arts. Although it was indicated that the SOB was tested and remediated for asbestos and other environmental hazards, an additional amount was also set aside for hazardous materials abatement. According to State officials, there are no known historic considerations related to the renovation or demolition of the SOB.

b) Jordan Street Building

Located across the street from the existing SOB is 960 Jordan Street, a one-story, 2,140 USF building that houses the State Fire Marshal. State officials estimate renovation costs would be under \$250K total (<\$81.21 GSF), inclusive of design costs, contingencies, and asbestos mastic abatement.



4. Private Leased Space Analyzed in Study

While the majority of the State’s portfolio in the Shreveport area is leased, only 71,318 USF—representing 12 percent of the total portfolio—has been included for further study. These spaces are scattered among 12 leases and 9 locations in Shreveport and represent 37 percent of spaces included for further study. The geographic locations of leased spaces analyzed in the feasibility study are shown below.

Figure 9: Geographic Location of Space Included in Feasibility Study



Source: Office of Facility Planning and Control, State of Louisiana and Google Maps

5. Candidate Agencies and Space Suitable for Consolidation

For the purposes of the scenario development and analysis to be presented in Sections V and VI of this report, the Team obtained feedback from³, and reviewed the respective requirements of⁴, State users of space in Shreveport to determine the optimal housing location for each user relative to its mission requirements. The results of this analysis are shown below, with a summary housing matrix by scenario included as Appendix D of this study.

a) Candidates for Continued Consolidation in State-Owned Space

The following users currently housed in the existing SOB are feasible candidates for continued consolidation in State-owned space:

- Administration, Office of State Buildings
- Revenue, LRS
- State Agencies Credit Union
- Elderly Affairs
- Group Benefits
- DEQ (due to requirement for immediate access emergency warehouse)
- DCFS, Regional Office
- DNR, Conservation
- DPSC, Capital Police
- DCFS, Child Welfare Caddo
- DCFS, Child Welfare Regional
- State Fire Marshal

b) Candidates for Relocation from Leased Space into Consolidated, State-Owned Space

The following users currently housed in leased space are feasible candidates for consolidation into State-owned space:

- Attorney General, Risk Litigation Division
- DSCS, Division of Administrative Law
- PSC, District 5
- DPSC/OSP, Criminal Investigations Division, Insurance Fraud & Auto Theft
- DPSC/OSP, Gaming Enforcement Division
- Financial Institutions
- Mental Health Advocacy Service
- LWC, Office of Worker's Compensation
- DCFS, Disability Determinations Service
- DHH, Medical Vendor Administration
- DHH, ADA Compliance
- DHH, Region 7 Administrative Counsel
- DHH, Region 7 Health Standards

³ See Report Supplement for completed user questionnaires

⁴ See Appendix B for profiles of space requirements by user

c) Candidates for Relocation from Consolidated, State-Owned Space into Private Leased Space

The following users currently housed in the existing SOB are feasible candidates for relocation into private leased space:

- DCFS, Child Support Enforcement
- DCFS, Economic Stability
- DPSC, Office of Juvenile Justice
- LWC, Rehabilitation Services

C. Customer Housing Requirements

a) Preferred Adjacencies

Although most occupants operate with a large degree of autonomy, there are some for whom adjacency within the same floorplate or building could result in greater mission effectiveness. Those occupants are identified in the table below.

Table 8: Preferred Adjacencies

Occupant	Preferred Adjacency
DCFS, Child Welfare	▪ Same Building: Other DCFS agencies except Child Support Enforcement
DCFS, Economic Stability	▪ Same Building: Other DCFS agencies except Child Support Enforcement
DHH, Region 7 Health Standards	▪ Same Building: DHH, Medical Vendor Administration
LWC, Rehabilitation Services,	▪ Same Building: Other LWC agencies
LWC, Workforce Support and Training	▪ Same Building: Other LWC agencies ▪ Same Building: DCFS Economic Stability

With the exception of Child Support Enforcement (discussed in greater detail below), most DCFS agencies share common information that is required to determine appropriate client services and eligibility. These adjacencies among DCFS agencies would provide greater operational efficiencies.

DHH Region 7 Health Standards must be located in the same building as Medical Vendor Administration as they share a technology server.

Worker's Compensation, Rehabilitation Services, and Workforce Support and Training are all in the same State department (LWC). A single location will enable closer collaboration among these agencies, thereby increasing operational efficiencies. In addition, Workforce Support and Training also mentioned potential benefits from co-location with the Economic Stability department within DCFS.

b) Adjacency Conflicts

In some cases, adjacencies within the same building or floorplate could result in conflict due to safety and/or confidentiality reasons. Those occupants are identified in the table below.

Table 9: Adjacency Conflicts

Occupant	Adjacency Conflict
DCFS, Child Welfare	▪ Same Floor: DCFS, Child Support Enforcement
DCFS, Economic Stability	▪ Same Floor: DCFS, Child Support Enforcement
DHH, State Laboratory	▪ Same Building: All State Agencies

Occupant	Adjacency Conflict
DPSC, Office of Juvenile Justice	▪ Same Building: All State Agencies
DPSC, Adult Probation and Parole	▪ Same Building: All State Agencies
DSCS, Division of Administrative Law	▪ Same Building: Other DPSC Agencies
Office of the Attorney General	▪ Same Building: All State Agencies
Office of Financial Institutions	▪ Same Building: All State Agencies
Mental Health Advocacy Service	▪ Same Floor: DHH and DCFS

Several conflicts may occur if certain agencies are collocated within the same facility or floor:

- Child Welfare and Economic Stability clients could be in contact with other clients or Child Support Enforcement if collocated on the same floor, thereby causing possible disruptions and conflicts.
- The Division of Administrative Law should not be located on the same floor as law enforcement agencies to prevent ethical problems and non-allowable communication between judges and law enforcement. It is also preferable not to co-locate this agency on the same floor with DHH and DCFS agencies to maintain client confidentiality.
- Due to the presence of hazardous materials and security reasons, the State Laboratory should not be collocated with any other agency.
- The following agencies should not be collocated with other State agencies for client confidentiality purposes: Office of Juvenile Justice, Adult Probation and Parole, Office of the Attorney General and the Office of Financial Institutions.

c) Security, Operations and Technology Requirements

The majority of the State's workforce in Shreveport performs management and administrative functions. Therefore, security, technology, and operations requirements are generally in line with the standard office requirements for many State agencies. Certain users have specific mission- or operations-driven requirements for certain spaces or rooms that need secure access. These include records and file storage rooms (for privacy and confidentiality reasons), in addition to computer, LAN and server rooms that can be easily secured by lock and key or swipe access.

Several agencies have unique security requirements to support their operations. The Office of Behavioral Health, Caddo Parish Health Unit, Office of Motor Vehicles, Louisiana Revenue Services, Office of Worker's Compensation, and Rehabilitation Services require on-site security guards in the building and or in their respective space. In addition to on-site security guards, Child Support Enforcement requires panic buttons in interview rooms and the receptionist area. Louisiana Revenue Services and Region 7 Health Standards maintain a secured entry system for access to the individual suite. Adult Probation & Parole requires secured weapons storage space, and the Office of Juvenile Justice requires similar secured armory space and a separate entrance to escort juveniles into and out of the building. The Credit Union, State Laboratory, Capital Police, and the Office of State Police Gaming Enforcement Division require individual security systems in their space. The Disability Determinations Service requires fingerprint recognition systems and no flow-through areas as their security needs are driven by Federal Social Security Administration (SSA) laws.

The State generally requires standard office building technologies. There are, however, exceptions for a few unique categories of space. Several agencies require video conferencing capabilities.

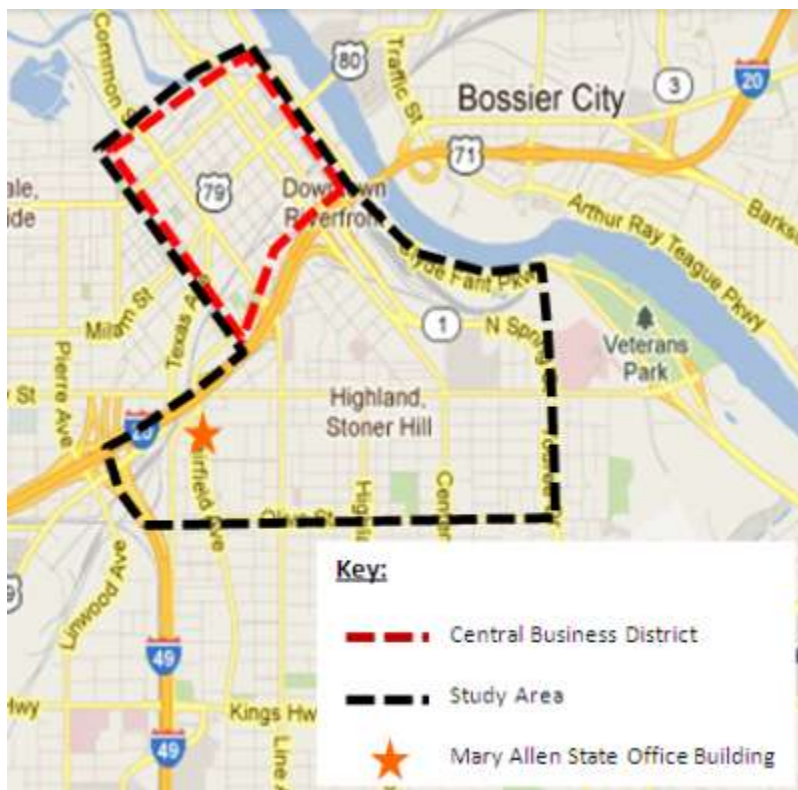
These agencies include Disability Determinations Service (provided by SSA), Caddo Parish Health Unit, Region 7 Administrative Counsel, Adult Probation & Parole, and Office of State Police Gaming Enforcement Division. In addition, Workforce Support & Training and Risk Litigation require fiber optic connections. Miscellaneous technology requirements include the need for soundproof assessment rooms and large computer rooms that can accommodate as many as 20 computers. Most notably, the State Laboratory requires a backup generator that is capable of providing 100 percent of the building's electrical needs and an HVAC system that is separate from the rest of the building.

From an operations standpoint, the State generally requires provision of standard office services such as basic utilities, janitorial services, operations and repairs, and ground maintenance. There is no indication of special arrangements that must be made (such as daytime janitorial services) to comply with a user's unique security requirements. If consolidated into a new State-owned or leased facility, provisions must be made to accommodate guards, magnetometers and x-ray systems to secure building entry. Many private office buildings can accommodate the State's building operation needs, especially where the State would be the primary tenant.

IV. Real Estate Market Overview

For the purposes of this analysis, the nine submarkets that comprise the Shreveport/Bossier Office Market have been collapsed the Shreveport Consolidation Study Area (“study area”). This area is bounded by the Red River and Clyde Fant Parkway to the north, Interstate 20 to the southwest, Olive Street to the south, and State Route 1 (Youree Street) to the east. Characteristics of the study area include proximity to downtown, public transportation, and major roadways. Peripheral submarkets were excluded from this analysis, as these regions lack sufficient access to public transportation and major roadways. The study area for this analysis is delineated in the following figure.

Figure 10: Shreveport Consolidation Study Area



The study area was evaluated based on market strength as measured by prevailing rental rates, vacancy rates, and absorption rates. The area was also assessed based on space availability, outlook, and the feasibility of consolidating State of Louisiana office facilities in the Shreveport area. Shown in the table below are key indicators for the study area which, despite higher net absorption and less direct vacancy, indicate a constant Shreveport office market in the short-run.

Table 10: 4Q 2011 Office Key Market Indicators, Study Area

Indicator	Trend	Metric
Stock (Gross)	↔	5,099,229 RSF
Direct Net Absorption	↑	161,472 RSF
Direct Vacancy Rate	↓	13.7%
Average Asking Rent	↔	\$11.67
Under Construction	↔	0 RSF
↓ = Decreasing	↔ = Constant	↑ = Increasing

Sufficient vacant space and land for a new contiguous SOB are limited, especially in the CBD. Currently, the study area only has one existing office building for sale (509 Marshall Street) that could accommodate either the entirety of the State's space requirements. However, this facility is a Class C building and may not meet customer agency needs without significant renovation. The approximately 14,300 rentable square foot (RSF) Greyhound Bus Terminal located at 408 Fannin Street, is neither for sale nor a viable candidate for re-location as it will likely be converted into green space as part of a Federal Transit Administration grant program. What's more, while there is considerable direct vacancy in the Shreveport market, there are limited large contiguous blocks of space available to house multiple agencies, with only one building possessing more than 20,000 RSF of contiguous vacant space (as of Spring 2012). Unless an entire building is vacated, it is unlikely that an existing building in the Shreveport area could accommodate the needs of all of the State's customer agencies (for whom consolidation is a feasible option) in one contiguous space. However, build-to-suit opportunities may be feasible, especially in areas south of the CBD, as multiple large land parcels and sufficient parking facilities are present.

For the complete market study including detailed space metrics and analysis of land uses within the study area, refer to Appendix A of this report.

V. Scenario Development

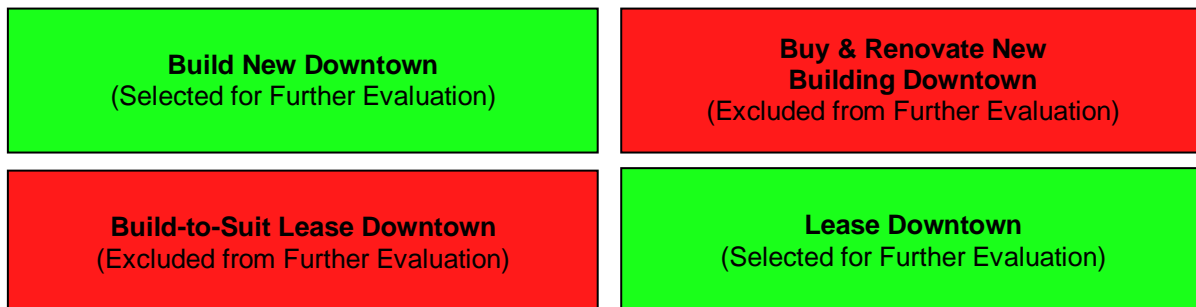
The State's goal for the Study is to evaluate how to best meet the space needs of the State agencies in the Shreveport area and assess the feasibility consolidating state agencies into a downtown Shreveport location. To identify a preferred alternative for meeting this goal, the Team developed an analytical process to explore physically and financially feasible scenarios for meeting user requirements. This analytical process is comprised of four questions that guide the scenario development as described in this section.

Figure 11: Initial Determination of Eligibility for Consolidation Downtown

Question 1 of 4: Based on current market conditions, is it physically possible to consolidate State agencies in a downtown location?



Question 2 of 4: What are the options for consolidation of State agencies in a downtown location?



Of the four scenarios identified above, only Build New Downtown and Lease Downtown were considered viable and are discussed in detail in the next section of this report. The other two scenarios, Build-to-Suit and Buy-and-Renovate, were excluded from further consideration for the following reasons:

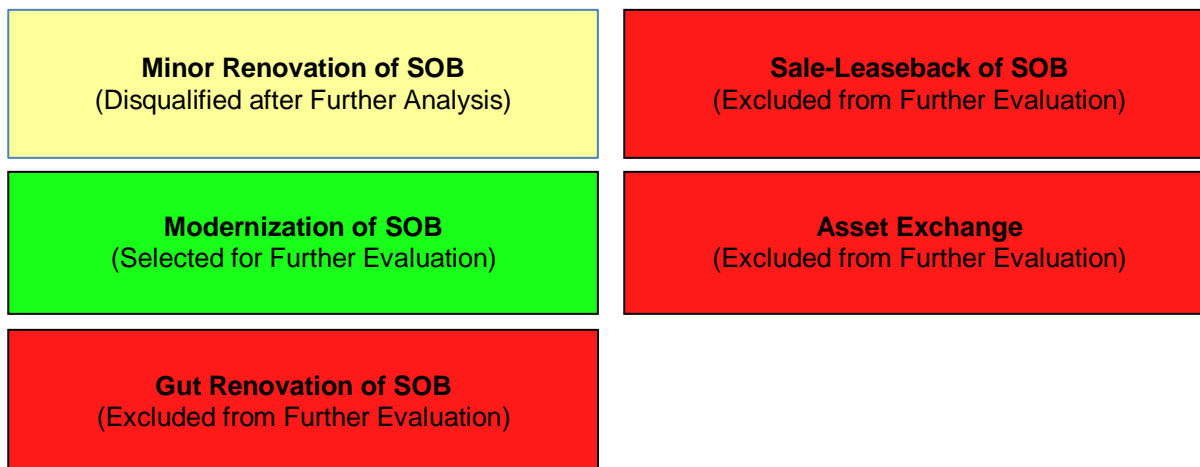
Table 11: Consolidation Strategies Description and Rationale

Consolidation Strategy	Description	Rationale
Build-to-Suit Downtown (Excluded)	<ul style="list-style-type: none"> Landowner constructs SOB based on State's specifications and leases building to State. 	<ul style="list-style-type: none"> Capital acquisition through lease-construction not approved as a delivery method.
Buy-and-Renovate Downtown (Excluded)	<ul style="list-style-type: none"> Purchase existing office building and renovate the building. 	<ul style="list-style-type: none"> After studying the market, there are no suitable office buildings to purchase and renovate in Downtown Shreveport.

In addition to the consolidation scenarios shown above, the Team also evaluated five potential asset management strategies for the existing SOB should additional architectural, engineering and financial studies reveal that consolidation downtown is not physically and/or financially feasible. Key areas of consideration included the financial feasibility, legal permissibility and ease/risk of execution of each strategy. The results of this analysis are shown below.

Figure 12: Best Stand-Alone Asset Management Strategy for SOB

Question 3 of 4: Should consolidation in a downtown location NOT be chosen, what is best stand-alone asset management strategy for the SOB?



Based on this asset-focused analysis, only Minor Renovation and Modernization were deemed to merit further analysis. The remaining three strategies, Gut Renovation, Sale-Leaseback, and Asset Exchange, were excluded from further consideration for the reasons indicated below:

Table 12: Excluded Asset Management Strategies

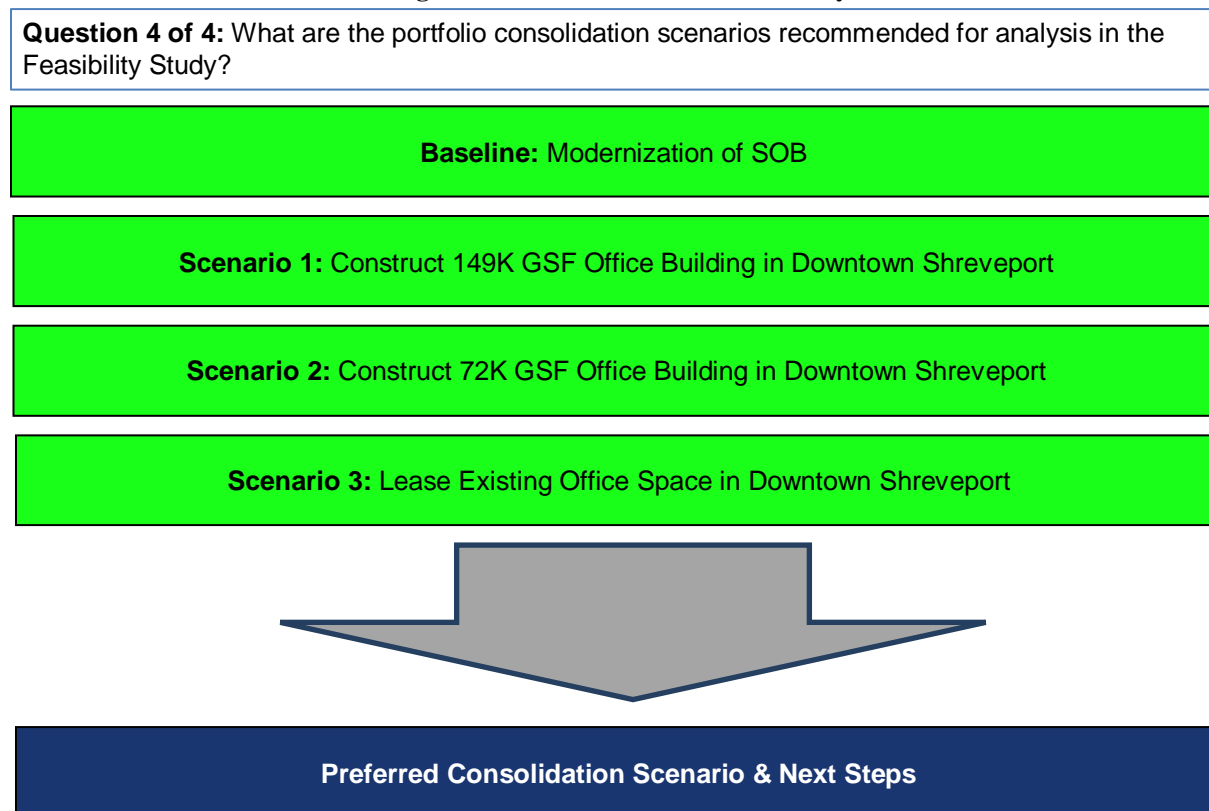
Asset Management Strategy	Description	Rationale
Gut Renovation	<ul style="list-style-type: none"> Demolish building to the core-and-shell, then reconstruct the interior and exterior to maximize space and energy efficiencies. 	<ul style="list-style-type: none"> Space efficiencies gained will result in construction of larger facility (149K USF) than required to house agencies suitable for consolidation (110K USF). Construction costs would exceed new construction downtown and scenario was considered not financially feasible.
Sale-Leaseback	<ul style="list-style-type: none"> Simultaneous sale of building and lease back to the seller. The owner will use private capital to modernize the building. 	<ul style="list-style-type: none"> Capital acquisition through lease-construction not approved as a delivery method and not considered permissible under State guidelines.
Asset Exchange	<ul style="list-style-type: none"> State would exchange the existing SOB for a comparable asset in the Shreveport market to construct new, renovate, or occupy as is. 	<ul style="list-style-type: none"> Timely transaction execution with a suitable exchange partner difficult in the Shreveport market and was not considered feasible.

Because Minor Renovation and Modernization were deemed financially feasible, legally permissible and have minimal execution risk, both were studied in further detail as potential asset management strategies should consolidation downtown be infeasible. Comparison of both the qualitative and

quantitative results from this detailed analysis revealed Modernization outperformed Minor Renovation on all evaluation factors. Modernization also resulted in a lower Net Present Value of costs associated with the project and presents less execution risk during the 20-year evaluation period. Detailed results for the Modernization strategy are contained in the next section of this report, with analysis of the Minor Renovation strategy located in Appendix C.

The following figure shows the scenarios selected for analysis based on the results of the process described in this section. Modernization will represent the Baseline scenario (or “benchmark”) against which the other three consolidation scenarios will be compared. Scenario 1 constructs a 149,000 GSF SOB to house the optimal mix of State agencies suitable for consolidation. Scenario 3 relocates appropriate users into any available leased space in Downtown Shreveport. Scenario 2 is a blend of Scenario 1 and Scenario 2, whereby a 72,000 GSF SOB is constructed in downtown Shreveport to house some State users suitable for consolidation, with the remaining State users suitable for consolidation housed in Class A leased space in downtown Shreveport. These four scenarios are analyzed in the next section.

Figure 13: Scenarios Selected for Analysis



VI. Scenario Analysis

A. Overview

This section provides a detailed analysis of the four strategies selected for further analysis following the Team's in-depth review of user requirements, asset condition and market dynamics. When reviewing the scenario analysis, the following overarching strategic concepts should be considered:

- Analysis presents a conceptual overview of the pros and cons of various scenarios based on current market conditions (e.g., vacancy and lease rates; construction and rehab costs; interest rates; etc.). As such, it is intended for decision-making purposes only (i.e., it is not a budget tool).
- Analysis only includes agencies whose location would change in any of the scenarios analyzed; agencies with no location change are held constant and excluded from the analysis. (See "Summary Housing Matrix by User" in Appendix D)
- Agency moves assumed to occur simultaneously with new furniture and equipment purchased upon move. Moves from leased-to-leased space occur upon lease expiration. Moves from leased-to-owned space occur upon availability, as it is assumed that private leases can be terminated for convenience for moves into State-owned space.

In addition the overarching strategic concepts cited above, the following cost and other quantitative assumptions must also be considered when reviewing this section:

- Analysis relies on data received from State of Louisiana; conversations with local civic officials and real estate professionals; and information obtained from in-house and industry resources including CoStar, RS Means and the International Facility Management Association.
- Construction cost assumptions are based on private-sector standards; renovation cost estimates were provided by the State.
- Discount rate and loan interest rate of 3.7 percent are consistent with State's current 20-year borrowing rate.
- Analysis includes 20-year time horizon beginning July 1, 2012 in accordance with State's fiscal calendar.
- Updated utilization rates are applied upon space move. Utilization rate for new construction is 200 USF per full-time employee and contractor, with larger ratios applied for Administrative Law and Worker's Compensation (courtroom space) as well as Economic Stability (waiting room space). All other utilization rates are determined by State-supplied space standards.

All other assumptions used in this report are located in Appendix E.

B. Evaluation Criteria

The qualitative evaluation criteria shown in the table below were developed to measure the benefits and constraints of each scenario relative to Study objectives. Evaluation criteria elements that align with FP&C mission and goals are identified in bold font.

Table 13: Evaluation Criteria

Criteria	Description
Efficiency	<ul style="list-style-type: none"> Enhances achievement of the State's mission by creating adjacencies and co-locations that improve operational efficiency while increasing organizational cohesiveness and effectiveness Provides optimum utilization of the State's fixed assets
Capital Deployment	<ul style="list-style-type: none"> Results in cost-effective, quality capital investments through an appropriate mix of State-owned versus lease space Reduces the expenditures for State-leased facilities Reduces energy consumption in State-occupied facilities
Flexibility	<ul style="list-style-type: none"> Allows flexibility to accommodate future changes in space needs and evolving requirements on both an Agency and portfolio basis
Location	<ul style="list-style-type: none"> Addresses key location requirements, preferences and constraints of State agencies Provides for agency and customer access via public transit and major highways/thoroughfares
Suitability	<ul style="list-style-type: none"> Provides functionally appropriate and secure space for users Conforms with building codes, environmental standards and quality requirements

C. Baseline – Modernization \$17M

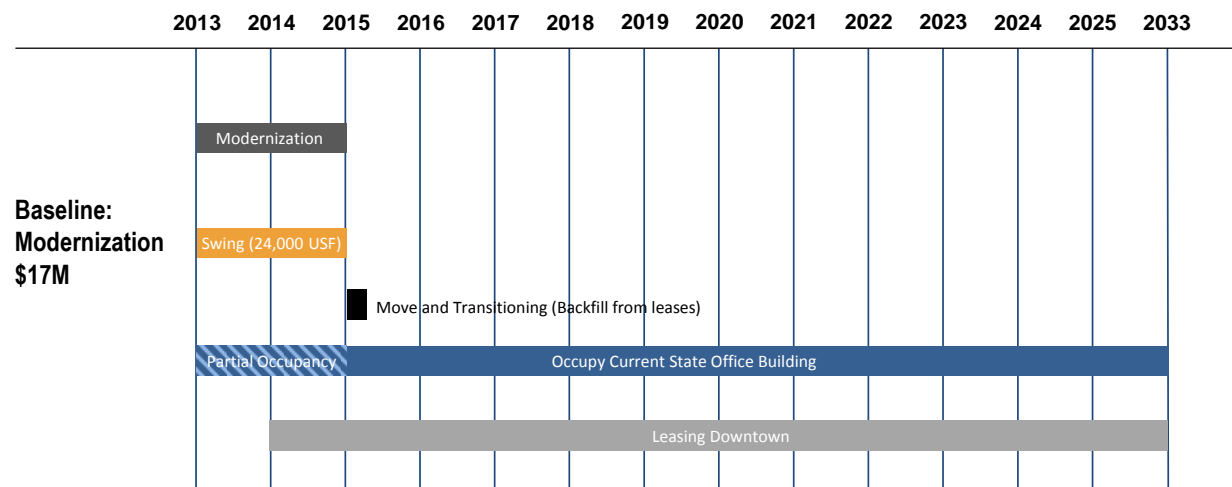
1. Scenario Overview

In the Baseline, approximately \$17 million would be spent to modernize the SOB. The mechanical and electrical systems would be upgraded, along with other improvements identified in the VFA, Inc. report and Office of State Buildings (OSB) 5-Year Capital Outlay Plan. The renovations will occur in four phases, with existing occupants rotating through approximately 24,000 USF of swing space during construction. The Office of Juvenile Justice will move to more appropriate leased space and the underutilized Department of Revenue space will be eliminated. The newly created vacant space in the SOB will be backfilled through the following: 1) the move of three DHH agencies from leased space into owned space; 2) decompression of personnel in three DCFS agencies currently in over-utilized owned space; and 3) decompression of personnel in over-utilized State Fire Marshal space at the Jordan Street building. The remaining lease portfolio stays in place and leases are renewed as necessary. The Jordan Street building is not renovated and occupants remain in place. The proposed housing locations for all users of space in Shreveport are identified in the matrix shown in Appendix D.

2. Conceptual Timeline

The figure below provides an approximate timeline for execution and implementation of the Baseline.

Figure 14: Baseline – Modernization (\$17M) Conceptual Timeline by Fiscal Year⁵



Agencies occupying the existing SOB will remain in place during the estimated \$17 million modernization. During the modernization, the Office of Juvenile Justice, will vacate 5,023 USF of spaces and relocate to a more suitable location outside of the Shreveport CBD. The move will occur in the beginning of FY2014, as indicated in the timeline above and enables space constrained

⁵ Timeline based on State of Louisiana fiscal calendar

agencies in the SOB to decompress in the available space. More specifically, DCFS Child Enforcement, DCFS Child Welfare Caddo Parish and Regional offices, along with DPSC Fire Marshall would expand as needed. Additionally, the vacated space provides the DHH Offices of ADA Compliance, Administrative Counsel, and Region 7 Health Standards to backfill vacated space.

As the timeline demonstrates, the modernization will start at the beginning of FY2013 and finish approximately two years later. During the modernization, approximately 24,000 USF of swing space would be utilized to by multiple floors over four six-month phases. Finally, the timeline displays a move and transitioning period once the modernization is completed to allow for back filling and transitioning from swing space to the SOB. After the modernization of the SOB and applicable moves are completed, it is assumed that all agencies will remain in place through FY2032.

3. Cost Analysis

a) Key Assumptions

The following list provides a summary of the key assumptions used in the financial analysis for the Baseline, the \$17 million modernization of the SOB. A complete list of assumptions is located in Appendix E.

Table 14: Baseline – Modernization (\$17M) Financial Assumptions

Key Assumption	Summary Description
Recurring Occupancy Costs	
Existing and Renovated SOB Operating Expenses	<ul style="list-style-type: none"> The State will continue to pay on-going annual expenses to maintain and occupy the existing SOB until renovations are completed. After completion of the renovations, operating expenses in the SOB will be reduced based on private sector standards.
Shell Rent for SOB	<ul style="list-style-type: none"> The State does not collect shell rent from the agencies to offset construction costs.
Existing State Leases in Shreveport	<ul style="list-style-type: none"> Existing leases will continue until select agencies relocate into the renovated SOB. Rents were escalated on a “step-up” basis every five years at an annualized rate of inflation.
Future State Leases in Shreveport	<ul style="list-style-type: none"> New lease for OJJ will be initiated at market rents in 2014 Rent is escalated on a “step-up” basis every five years at an annualized rate of inflation.
Parking	<ul style="list-style-type: none"> No recurring cash flows are associated with parking.
Capital Reserves	<ul style="list-style-type: none"> Capital reserves were included as a recurring expense to account for future capital re-investment to maintain the renovated SOB.
Non-Recurring Project Costs	
Renovation Costs	<ul style="list-style-type: none"> Include costs necessary to cure all deferred maintenance. Upgrades do not include renovations to configure existing space.
Furniture, Fixtures, and Equipment (FF&E)	<ul style="list-style-type: none"> Included for all moves to both leased space and owned space.
Swing Space	<ul style="list-style-type: none"> State to lease 24K USF of swing space to accommodate 2-3 floors in four phases of renovation.
Move Costs	<ul style="list-style-type: none"> Calculated based on the relocation strategies described earlier in this section, including swing moves.
Decommissioning Costs	<ul style="list-style-type: none"> Incurred at leased and owned locations, which are vacated as part of scheduled moves.
Net Property Value	
Reversion Value	<ul style="list-style-type: none"> Estimated property value of the existing SOB at the conclusion of the 20-year investment period using the direct capitalization method.
Financing Costs	
Interest on Loan Proceeds	<ul style="list-style-type: none"> Present value of the interest payments associated with the loan required to fund the initial investment.

b) Analysis

The present value of all project costs associated with the Baseline is estimated to be approximately \$64.0 million for the period between FY2013 and FY2033. The following table reports the breakdown of present value costs by recurring, non-recurring costs, net property value, and financing costs.

Table 15: Baseline – Modernization (\$17M) Financial Summary

Baseline: \$17M Modernization of SOB	
Recurring Occupancy Costs (NPV - 2013 dollars)	
Private Sector Leases	\$16,906,292
Existing State Office Building OpEx	\$20,671,725
New State Office Building OpEx	\$0
Capital Reserves	\$1,401,013
Total Recurring Occupancy Costs	\$38,979,031
Non-Recurring Project Costs (NPV - 2013 dollars)	
Total Relocation and Transition Costs	\$282,757
Land Purchase	\$0
Construction Costs	\$16,608,581
Furniture, Fixtures, & Equipment	\$0
Total Non-Recurring Project Costs	\$16,891,338
Financing Costs (NPV - 2013 dollars)	
Interest on Loan Proceeds	\$7,829,200
TOTAL OBLIGATIONS	\$63,699,569
Total Property Value (NPV – 2013 dollars)	
Accumulated Deferred Maintenance	\$0
Reversion Value	\$2,477,286
Sale Proceeds from State Buildings	\$0
Less: Total Net Property Value	\$2,477,286
TOTAL SCENARIO COSTS	\$61,222,283
TOTAL LOAN PROCEEDS (Nominal Value)	\$17,539,249

The Baseline consists of Modernization of the existing SOB with no change to the agency footprint. The primary cost drivers unique to this scenario are the renovation costs. Because the inventory of owned and leased space remains the same after completion of the renovation there are no efficiencies gained to offset the investment and future interest payment required in this scenario.

A second cost driver is the reversion value of the renovated SOB, which consists of the property value of the property at the conclusion of the 20-year investment period. Assuming market conditions remain stable in the City of Shreveport, the market value of the asset will partially offset the initial investment.

The total loan required in this scenario is estimated to be \$17.5 million. Loan proceeds fund construction costs, and tenant improvements. Transition costs are not funded by the loan. Further, it is assumed that there would be no loan fees (i.e., origination fees) associated with the debt.

Annual occupancy costs (leases and operating costs) to the State are expected to decrease slightly in FY2016 after renovations are complete. However, when combined with the interest payments on the loan proceeds of \$649,000 per year, total annual recurring costs to the State are expected to be higher. The schedule below illustrates the projected annual budget obligations for the first six years of the project (FY2013-FY2018). Annual costs begin to stabilize in FY2016 at a recurring occupancy cost of \$2.4 million per year (escalating with inflation) with an additional \$649,000 of interest payments.

Table 16: Baseline – Modernization (\$17M) Annual Financial Obligations

Cost Item	2013	2014	2015	2016	2017	2018
Recurring Costs (Nominal Dollars)						
Recurring Occupancy Costs	\$2,228,682	\$2,304,520	\$2,316,043	\$2,305,511	\$2,320,442	\$2,442,191
Financing Costs	\$0	\$0	\$0	\$648,952	\$648,952	\$648,952
Total Recurring + Financing Costs	\$2,228,682	\$2,304,520	\$2,316,043	\$2,954,463	\$2,969,394	\$3,091,144
Non-Recurring Costs (Nominal Dollars)						
Relocation and Transition Costs	\$0	\$122,361	\$123,742	\$55,415	\$0	\$0
Land Purchase	\$0	\$0	\$0	\$0	\$0	\$0
Construction Costs	\$0	\$8,678,500	\$8,860,749	\$0	\$0	\$0
FF&E	\$0	\$0	\$0	\$0	\$0	\$0
Total Non-Recurring	\$0	\$8,800,861	\$8,984,491	\$55,415	\$0	\$0
Total Annual Budget	\$2,228,682	\$11,105,380	\$11,300,534	\$3,009,878	\$2,969,394	\$3,091,144

The table below presents the present value of recurring occupancy costs (with and without financing) in FY2013 and FY2018. This analysis compares the future annual payments in current dollar amounts. These costs exclude non-recurring costs such as construction and move costs. After completion of the new SOB, the present value of the State's annual occupancy costs (operating expenses and rent) will increase by approximately 5.7 percent. After accounting for financing costs (interest payments), the present value of the State's total occupancy costs will increase by 33.7 percent.

Table 17: Baseline – Modernization (\$17M) 2013 and 2018 Occupancy and Operating Costs

	2013 Financial Obligation (PV in 2013)	2018 Financial Obligation (PV in 2013)	% Difference
Total USF	190,645	190,645	0.0%
Recurring Occupancy Costs	\$2,228,682	\$2,355,054 ⁶	5.7%
Total Cost Per RSF	\$11.69	\$12.35	5.7%
Recurring and Financing Costs	\$2,228,682	\$2,980,852 ⁷	33.7%
Total Cost Per RSF	\$11.69	\$15.64	33.7%







⁶ Nominal value is equal to \$2,442,191, an increase of 9.6 percent






⁷ Nominal value is equal to \$3,091,144, an increase of 38.7 percent

4. Qualitative Analysis

The Team also assessed the benefits and constraints of the Baseline relative to the State's strategic goals for both this Study and the management of FP&C real property State-wide. Ratings are assigned based on the extent to which each scenario 'Exceeds,' 'Partially Exceeds,' 'Meets,' 'Partially Meets,' or 'Fails to Meet' the evaluation criteria. Benefits are denoted with a plus sign (+) and constraints are denoted with a minus sign (-). The qualitative assessment for the Baseline is shown in the following table.

Table 18: Baseline – Modernization (\$17M) Qualitative Analysis Summary

Evaluation Criteria	Rating	Explanation
Operational Efficiency	 Partially Meets	<ul style="list-style-type: none"> - Layout remains inefficient and does not allow for significant increase in consolidation opportunities - Requires swing space and disruptions in operations for multiple moves ▪ Does not change current operations
Capital Deployment	 Meets	<ul style="list-style-type: none"> + All outstanding deferred maintenance requirements are cured + Provides additional energy reductions and environmental improvements - Does not reduce expenditure for State-leased facilities
Flexibility	 Partially Meets	<ul style="list-style-type: none"> - Limited flexibility to accommodate changes in space requirements due to inefficient building design
Location	 Meets	<ul style="list-style-type: none"> + Access to public transportation and major highways/thoroughfares - Located outside the Shreveport CBD
Suitability	 Meets	<ul style="list-style-type: none"> + Addresses all facility deficiencies and building code requirements ▪ Space remains functionally adequate
Overall Rating	 Meets	Overall scenario meets evaluation criteria objectives

 Exceeds
  Partially Exceeds
  Meets
  Partially Meets
  Does Not Meet

5. Scenario Summary

A modernization of the current SOB would provide several advantages to State agencies. This scenario would cure all outstanding deferred maintenance requirements and address all facility deficiencies and building code requirements. The renovation would make the existing office space functionally adequate for State agencies and would not change current operations. In addition, the customers of several State agencies rely on public transportation and remaining in the current SOB location would provide customers with continued easy access to public transportation and major thoroughfares.

Despite addressing all facility deficiencies and building code requirements, the Baseline would not improve the inefficient space layout or allow for significant consolidation opportunities. As a result,

the renovated SOB could not accommodate future changes in space requirements. Remaining in the SOB would not reduce expenditures for State-leased facilities, as no agency consolidation would occur. This scenario would also require the use of swing space during the renovation process and would create operational disruptions.

D. Scenario 1: Construct 149 K GSF Building Downtown

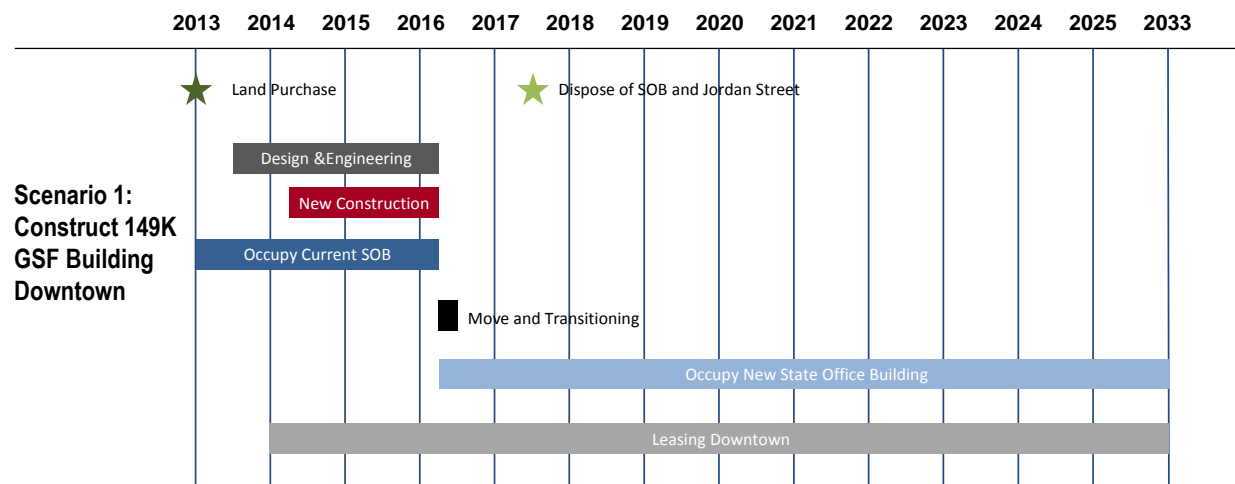
1. Scenario Overview

This scenario examines the feasibility of constructing a new, approximately 149,000 GSF SOB in downtown Shreveport to accommodate all space deemed suitable for consolidation⁸. The State will need to acquire approximately 7 acres of land in downtown Shreveport to build both the new SOB and the associated 595 surface parking spaces⁹. Under this scenario, both the existing SOB and Jordan Street buildings would be vacated and disposed of upon completion of the new SOB. Users deemed not suitable for consolidation will either remain in current leased space or relocate from the existing SOB to leased space outside downtown Shreveport. The proposed housing locations for all users of space in Shreveport are identified in the matrix shown in Appendix D.

2. Conceptual Timeline

The figure below provides an approximate timeline for execution and implementation of Scenario 1.

Figure 15: Scenario 1 Conceptual Timeline by Fiscal Year¹⁰



Agencies occupying the existing SOB will remain in place during the new SOB site search and acquisition process. Once a suitable site is acquired, design and engineering will commence with construction beginning six months later. The design phase is projected to begin six months into the project, in approximately January 2014 (FY 2014), and continue through the end of construction in October 2015 (FY 2016). During the design phase, only one agency, the Office of Juvenile Justice, will relocate to a more suitable location outside of the Shreveport CBD. The move will occur in the beginning of FY2014, as indicated in the timeline above. Based on industry standards, it is assumed that the new construction will occur over two years, ending in October 2015 (FY 2016).

⁸ See Section III.5

⁹ City of Shreveport parking regulations require 1 parking spot for every 250 GSF of construction

¹⁰ Timeline based on State of Louisiana fiscal calendar

Once construction is completed, several moves and transitions are required to locate each agency in suitable space. Agencies that are suitable for consolidation, as identified in Section III.5 of the report, will move to the newly constructed building, while agencies unsuitable for consolidation will remain in or move to leased space. The timeline displays an approximate sale date for the Mary Allen SOB site in midyear FY2017. Finally, after the sale of the SOB and the moves are completed, it is assumed that all agencies space will remain in place through FY2033.

3. Cost Analysis

a) Key Assumptions

The following list provides a summary of the key assumptions used in the financial analysis for Scenario 1. A complete list of assumptions is located in Appendix E.

Table 19: Scenario 1 Financial Assumptions

Key Assumption	Summary Description
Recurring Occupancy Costs	
Existing and New SOB Operating Expenses	<ul style="list-style-type: none"> The State will continue to pay annual expenses to maintain and occupy the existing SOB until the new SOB is completed. Upon completion of the new SOB, the existing SOB and Jordan Street building will be shut down. Operating expenses in the new SOB are based on private sector standards.
Shell Rent for SOB	<ul style="list-style-type: none"> The State does not collect shell rent from the agencies to offset construction costs.
Existing State Leases in Shreveport	<ul style="list-style-type: none"> Existing leases will continue until the agency vacates space to relocate into the new SOB. Rents were escalated on a "step-up" basis every five years at an annualized rate of inflation.
Future State Leases in Shreveport	<ul style="list-style-type: none"> New leases will be initiated, at market rents, for the State agencies that re-locate from owned to leased space. Rents are escalated on a "step-up" basis every five years at an annualized rate of inflation.
Parking	<ul style="list-style-type: none"> No recurring cash flows are associated with parking.
Capital Improvements	<ul style="list-style-type: none"> Capital improvements at the existing SOB will be phased out prior to the start of new construction (30% per year).
Capital Reserves	<ul style="list-style-type: none"> Capital reserves were included as a recurring expense to account for future capital re-investment to maintain the new SOB.
Non-Recurring Project Costs	
Construction Costs	<ul style="list-style-type: none"> Include land purchase, hard costs, soft costs, tenant improvements, and surface parking.
Furniture, Fixtures, and Equipment (FF&E)	<ul style="list-style-type: none"> Included for all moves to both leased space and owned space.
Move Costs	<ul style="list-style-type: none"> Calculated based on the relocation strategies described earlier in this section.
Decommissioning Costs	<ul style="list-style-type: none"> Incurred at leased and owned locations, which are vacated as part of scheduled moves.
Net Property Value	
Reversion Value	<ul style="list-style-type: none"> Estimated property value of the new SOB at the conclusion of the 20-year investment period using the direct capitalization method.
Sale Proceeds from State Owned Buildings	<ul style="list-style-type: none"> Proceeds from the sale of the existing SOB and Jordan Street buildings were derived on a per-acre basis using market standards.
Financing Costs	
Interest on Loan Proceeds	<ul style="list-style-type: none"> Present value of the interest payments associated with the loan required to fund the initial investment.

b) Analysis

The present value of all project costs associated with Scenario 1 is estimated to be approximately \$85.1 million for the period between FY2013 and FY2033. The table below reports the breakdown of present value costs by recurring, non-recurring costs, net property value, and financing costs.

Table 20: Scenario 1 Financial Summary

Scenario 1: Construct 149K GSF Building Downtown	
Recurring Occupancy Costs (NPV - 2013 dollars)	
Private Sector Leases	\$15,119,830
Existing State Office Building OpEx	\$3,899,411
New State Office Building OpEx	\$10,927,644
Capital Reserves	\$1,306,577
Total Recurring Occupancy Costs	\$31,253,462
Non-Recurring Project Costs (NPV - 2013 dollars)	
Total Relocation and Transition Costs	\$479,948
Land Purchase	\$3,494,618
Construction Costs	\$33,971,340
Furniture, Fixtures, & Equipment	\$7,270,975 ¹¹
Total Non-Recurring Project Costs	\$45,216,881
Financing Costs (NPV – 2013 dollars)	
Interest on Loan Proceeds	\$17,138,267
TOTAL OBLIGATIONS	\$93,608,609
Total Property Value (NPV – 2013 dollars)	
Accumulated Deferred Maintenance	\$0
Reversion Value	\$7,529,460
Sale Proceeds from State Buildings	\$957,477
Less: Total Net Property Value	\$8,486,936
TOTAL SCENARIO COSTS	\$85,121,673
TOTAL LOAN PROCEEDS (Nominal Value)	\$39,875,708

Scenario 1 consists of the construction of an approximately 149,000 GSF consolidated SOB in downtown Shreveport, which reduces the State's occupied footprint by 21,582 USF. The primary cost driver unique to this scenario is the cost of new construction. Although the State reduces its occupied footprint, the efficiencies achieved through reduced rent and operating costs are insufficient to offset the investment and future interest payment required in this scenario. A sensitivity analysis revealed that to achieve occupancy savings equal to project costs, either construction costs would have to decrease or rental rates would have to increase beyond reasonable levels.

A second cost driver is the reversion value of the new SOB, which consists of the property value of the new SOB at the conclusion of the 20-year investment period. Assuming market conditions remain stable in the City of Shreveport, the market value of the asset will partially offset the initial investment.

¹¹ Includes \$2.5M borne by agencies assumed to move into 58,693 GSF of private leased space

The total loan required in this scenario is estimated to be \$39.9 million. Loan proceeds fund construction costs (including parking) and land acquisition. Furniture, fixtures, and equipment, as well as relocation and transition costs, are not funded by the loan. Further, it is assumed that there would be no loan fees (i.e., origination fees) associated with the debt.

Annual occupancy costs (leases and operating costs) to the State are expected to decrease in FY2016 after delivery of the new SOB. However, when combined with the interest payments on the loan proceeds, total recurring costs to the State are expected to be higher by approximately \$1.5 million. The schedule below illustrates the projected annual budget obligations for the first six years of the project (FY2013-FY2018).

Table 21: Scenario 1 Annual Financial Obligations

Cost Item	2013	2014	2015	2016	2017	2018
Recurring Costs (Nominal Dollars)						
Recurring Occupancy Costs	\$2,338,612	\$2,375,822	\$2,381,675	\$1,973,470	\$1,693,700	\$1,803,215
Financing Costs	\$0	\$0	\$0	\$737,701	\$1,475,401	\$1,475,401
Total Recurring + Financing Costs	\$2,338,612	\$2,375,822	\$2,381,675	\$2,711,171	\$3,169,101	\$3,278,617
Non-Recurring Costs (Nominal Dollars)						
Relocation and Transition Costs	\$20,939	\$0	\$0	\$511,867	\$0	\$0
Land Purchase	\$3,494,618	\$0	\$0	\$0	\$0	\$0
Construction Costs	\$956,543	\$11,275,263	\$14,658,129	\$9,491,155	\$0	\$0
FF&E	\$471,128	\$0	\$0	\$7,582,902	\$0	\$0
Total Non-Recurring	\$4,943,227	\$11,275,263	\$14,658,129	\$17,585,925	\$0	\$0
Total Annual Budget	\$7,281,839	\$13,651,084	\$17,039,804	\$20,297,095	\$3,169,101	\$3,278,617

The table below presents the present value of recurring occupancy costs (with and without financing) in FY2013 and FY2018. This analysis compares the future annual payments in current dollar amounts. These costs exclude non-recurring costs such as construction and move costs. After completion of the new SOB, the present value of the State's annual occupancy costs (operating expenses and rent) will decrease by approximately 35.7 percent. After accounting for financing costs (interest payments), the present value of the State's occupancy costs will increase by 16.9 percent.

Table 22: Scenario 1 – 2013 and 2018 Occupancy and Operating Costs

	2013 Financial Obligation (PV in 2013)	2018 Financial Obligation (PV in 2013)	% Difference
Total USF	190,645	168,793	-11.5%
Recurring Occupancy Costs	\$2,338,612	\$1,503,674 ¹²	-35.7%
Total Cost Per RSF	\$12.27	\$8.91	-27.4%
Recurring and Financing Costs	\$2,338,612	\$2,733,989 ¹³	16.9%
Total Cost Per RSF	\$12.27	\$16.20	32.0%







¹² Nominal value is equal to \$1,803,215 a decrease of 22.9 percent

¹³ Nominal value is equal to \$3,278,617, an increase of 40.2 percent

4. Qualitative Analysis

The Team also assessed the benefits and constraints of Scenario 1 relative to the State's strategic goals for both this Study and the management of FP&C real property State-wide. Ratings are assigned based on the extent to which each scenario 'Exceeds,' 'Partially Exceeds,' 'Meets,' 'Partially Meets,' or 'Fails to Meet' the evaluation criteria. Benefits are denoted with a plus sign (+) and constraints are denoted with a minus sign (-). The qualitative assessment for Scenario 1 is shown in the following table.

Table 23: Scenario 1 Qualitative Analysis Summary

Evaluation Criteria	Rating	Explanation
Operational Efficiency	 Exceeds	+ Achieves significant operational efficiencies through co-location and adjacencies + Minimizes number of locations among which employees are distributed
Capital Deployment	 Exceeds	+ Obviates need for expensive capital renovation of existing SOB + Reduced energy consumption in newly constructed building ▪ Achieves similar mix of owned and leased space relative to Baseline
Flexibility	 Exceeds	+ Increased flexibility to accommodate changes in space needs and evolving requirements due to efficient building design + Creates potential backfill opportunities for other leases within larger portfolio
Location	 Exceeds	+ Located in Shreveport CBD + Access to public transportation and major highways/thoroughfares
Suitability	 Exceeds	+ Enhanced agency performance through modern, functionally appropriate office space and technology
Overall Rating	 Exceeds	Overall scenario exceeds evaluation criteria objectives

				
Exceeds	Partially Exceeds	Meets	Partially Meets	Does Not Meet

5. Scenario Summary

A new SOB in downtown Shreveport would provide several advantages to State agencies. A single consolidated building would minimize the number of locations among which employees are distributed. In addition, this alternative will also provide operational efficiencies through agency co-location and adjacencies. The customers and clients of several State agencies rely on public transportation and a downtown location would provide customers access to public transportation and major thoroughfares.

This alternative achieves a similar mix of owned and leased space relative to the baseline and obviates the need for expensive capital renovation of the existing SOB. Unlike the existing SOB, a

newly constructed building would realize reduced energy consumption due to the incorporation of modern technologies. An efficient floor plan and building design could accommodate changes in space needs and evolving requirements. Due to the size of the building, sufficient backfill opportunities may arise for other leases within the larger portfolio. However, if such backfill opportunities do not exist or reductions in space requirements occur, the building may not be fully utilized.

E. Scenario 2: Construct 72K GSF Building Downtown

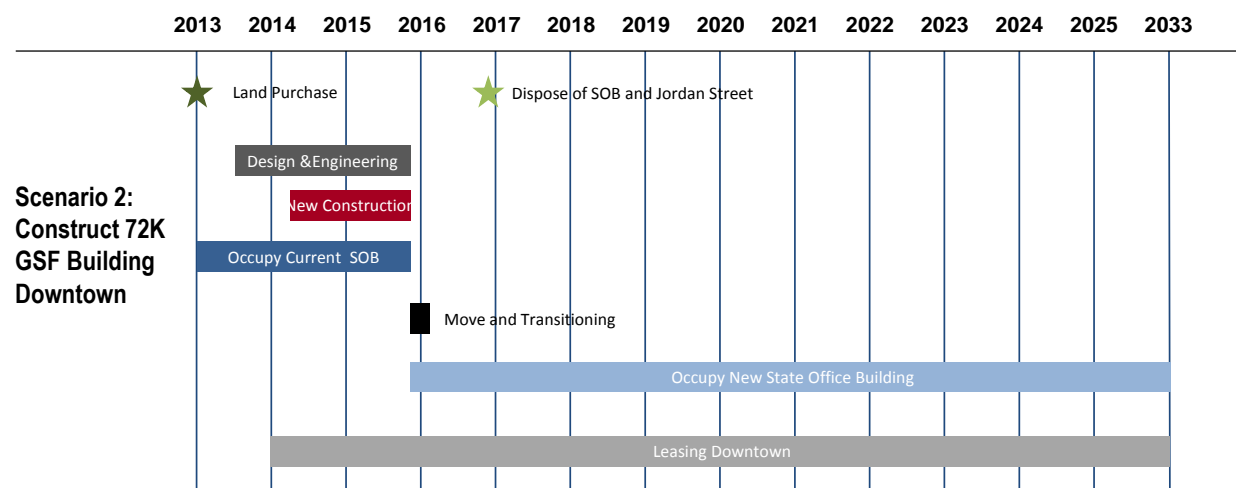
1. Scenario Overview

This scenario examines the feasibility of constructing a new, approximately 72,000 GSF SOB in downtown Shreveport to accommodate demand that cannot be otherwise accommodated through lease of existing Class A space in downtown Shreveport. The State will need to acquire approximately 3.5 acres of land in downtown Shreveport to build both the new SOB and the associated 287 surface parking spaces¹⁴. Under this scenario, both the existing SOB and Jordan Street buildings would be vacated and disposed of upon completion of the new SOB. Certain agencies will be relocated from the SOB to leased space outside of downtown Shreveport. The proposed housing locations for all users of space in Shreveport are identified in the matrix shown in Appendix D.

2. Conceptual Timeline

The figure below provides an approximate timeline for execution and implementation of Scenario 2.

Figure 16: Scenario 2 Conceptual Timeline by Fiscal Year¹⁵



Agencies occupying the existing SOB will remain in place during the new SOB site search and acquisition process. Once a suitable site is acquired, the design and engineering will commence. The design phase is projected to begin six months into the project, in approximately January 2014 (FY 2014), and continue through the end of construction in April 2015 (FY 2015). Similar to Scenario 1, only one agency, the Office of Juvenile Justice, will relocate to a more suitable location outside of the Shreveport CBD, during the design phase. The move will occur in the beginning of FY2014, as indicated in the timeline above. Based on industry standards, it is assumed that new construction of a 72,000 building will occur over 1.5 years.

¹⁴ City of Shreveport parking regulations require 1 parking spot for every 250 GSF of construction

¹⁵ Timeline based on State of Louisiana fiscal calendar

Once construction is completed, several moves and transitions are required to locate each agency in suitable space. Agencies that are suitable for consolidation, as identified in Section III.5 of the report, will move into a combination of leased space and the new SOB, while agencies unsuitable for consolidation will remain in or move to leased space outside the downtown area. Agencies that are appropriate for consolidation will fill the available Class A space in the Shreveport market and the remainder will occupy the new SOB. The timeline displays an approximate sale date for the existing SOB site at the end of FY2016. Finally, after the sale of the SOB and the moves are completed, it is assumed that all agencies will remain in place through FY2032.

3. Cost Analysis

a) Key Assumptions

The following list provides a summary of the key assumptions used in the financial analysis for Scenario 2. A complete list of assumptions is located in Appendix E.

Table 24: Scenario 2 Financial Assumptions

Key Assumption	Summary Description
Recurring Occupancy Costs	
Existing and New SOB Operating Expenses	<ul style="list-style-type: none"> The State will continue to pay annual expenses to maintain and occupy the existing SOB until the new SOB is completed. Upon completion of the new SOB, the existing SOB and Jordan Street building will be shut down. Operating expenses in the new SOB are based on private sector standards.
Shell Rent for SOB	<ul style="list-style-type: none"> The State does not collect shell rent from the agencies to offset construction costs.
Existing State Leases in Shreveport	<ul style="list-style-type: none"> Existing leases will continue until the agency vacates space to relocate into the new SOB. Rents were escalated on a "step-up" basis every five years at an annualized rate of inflation.
Future State Leases in Shreveport	<ul style="list-style-type: none"> New leases will be initiated, at market rents, for the State agencies that re-locate from owned to leased space. Rents are escalated on a "step-up" basis every five years at an annualized rate of inflation.
Parking	<ul style="list-style-type: none"> No recurring cash flows are associated with parking.
Capital Improvements	<ul style="list-style-type: none"> Capital improvements at the existing SOB will be phased out prior to the start of new construction (30% per year).
Capital Reserves	<ul style="list-style-type: none"> Capital reserves were included as a recurring expense to account for future capital re-investment to maintain the new SOB.
Non-Recurring Project Costs	
Construction Costs	<ul style="list-style-type: none"> Include land purchase, hard costs, soft costs, tenant improvements, and surface parking.
Furniture, Fixtures, and Equipment (FF&E)	<ul style="list-style-type: none"> Included for all moves to both leased space and owned space.
Move Costs	<ul style="list-style-type: none"> Calculated based on the relocation strategies described earlier in this section.
Decommissioning Costs	<ul style="list-style-type: none"> Incurred at leased and owned locations, which are vacated as part of scheduled moves.
Net Property Value	
Reversion Value	<ul style="list-style-type: none"> Estimated property value of the new SOB at the conclusion of the 20-year investment period using the direct capitalization method.
Sale Proceeds from State Owned Buildings	<ul style="list-style-type: none"> Proceeds from the sale of the existing SOB and Jordan Street buildings were derived on a per-acre basis using market standards.
Financing Costs	
Interest on Loan Proceeds	<ul style="list-style-type: none"> Present value of the interest payments associated with the loan required to fund the initial investment.

b) Analysis

The present value of all project costs associated with Scenario 2 is estimated to be approximately \$66.2 million for the period between FY2013 and FY2033. The table below reports the breakdown of present value costs by recurring, non-recurring costs, net property value, and financing costs.

Table 25: Scenario 2 Financial Summary

Scenario 2: Construct 72K GSF Building Downtown	
Recurring Occupancy Costs (NPV – 2013 dollars)	
Private Sector Leases	\$26,070,774
Existing State Office Building OpEx	\$3,342,755
New State Office Building OpEx	\$5,452,020
Capital Reserves	\$773,740
Total Recurring Occupancy Costs	\$35,639,289
Non-Recurring Project Costs (NPV – 2013 dollars)	
Total Relocation and Transition Costs	\$482,205
Land Purchase	\$1,729,892
Construction Costs	\$16,901,362
Furniture, Fixtures, & Equipment	\$7,266,479 ¹⁶
Total Non-Recurring Project Costs	\$26,379,937
Financing Costs (NPV – 2013 dollars)	
Interest on Loan Proceeds	\$8,742,327
TOTAL OBLIGATIONS	\$70,761,553
Total Property Value (NPV – 2013 dollars)	
Accumulated Deferred Maintenance	\$0
Reversion Value	\$3,638,213
Sale Proceeds from State Buildings	\$937,783
Less: Total Net Property Value	\$4,575,996
TOTAL SCENARIO COSTS	\$66,185,557
TOTAL LOAN PROCEEDS (Nominal Value)	\$19,584,866

Scenario 2 consists of the construction of an approximately 72,000 GSF consolidated SOB in downtown Shreveport, which reduces the State's occupied footprint by approximately 24,398 USF. The primary cost driver unique to this scenario is the cost of new construction. Although the State realizes a decrease in its occupied footprint, the efficiencies achieved through reduced rent and operating costs are insufficient to entirely offset the investment and future interest payment required in this scenario.

A second cost driver is the reversion value of the new SOB, which consists of the property value of the new SOB at the conclusion of the 20-year investment period. Assuming market conditions remain stable in the City of Shreveport, the market value of the asset will partially offset the initial investment.

¹⁶ Includes \$4.9M borne by agencies assumed to move into 113,047 GSF of private leased space

The total loan required in this scenario is estimated to be \$19.6 million. Loan proceeds fund construction costs (including parking) and land acquisition. Furniture, fixtures, and equipment, as well as relocation and transition costs, are not funded by the loan. Further, it is assumed that there would be no loan fees (i.e., origination fees) associated with the debt.

Annual occupancy costs (leases and operating costs) to the State are expected to decrease in FY2016 after delivery of the new SOB. However, when combined with the interest payments on the loan proceeds, total recurring costs to the State are expected to higher by almost \$725K per year. The schedule below illustrates the projected annual budget obligations for the first six years of the project (FY2013-FY2018).

Table 26: Scenario 2 Annual Financial Obligations

Cost Item	2013	2014	2015	2016	2017	2018
Recurring Costs (Nominal Dollars)						
Recurring Occupancy Costs	\$2,338,612	\$2,375,822	\$2,348,683	\$1,994,785	\$2,004,008	\$2,186,754
Financing Costs	\$0	\$0	\$0	\$724,640	\$724,640	\$724,640
Total Recurring + Financing Costs	\$2,338,612	\$2,375,822	\$2,348,683	\$2,719,425	\$2,728,648	\$2,911,394
Non-Recurring Costs (Nominal Dollars)						
Relocation and Transition Costs	\$20,939	\$0	\$496,031	\$0	\$0	\$0
Land Purchase	\$1,729,892	\$0	\$0	\$0	\$0	\$0
Construction Costs	\$650,010	\$7,330,699	\$9,874,265	\$0	\$0	\$0
FF&E	\$471,128	\$0	\$7,307,510	\$0	\$0	\$0
Total Non-Recurring	\$2,871,968	\$7,330,699	\$17,677,806	\$0	\$0	\$0
Total Annual Budget	\$5,210,580	\$9,706,521	\$20,026,489	\$2,719,425	\$2,728,648	\$2,911,394

The table below presents the present value of recurring occupancy costs (with and without financing) in FY2013 and FY2018. This analysis compares the future annual payments in current dollar amounts. These costs exclude non-recurring costs such as construction and move costs. After completion of the new SOB, the present value of the State's annual occupancy costs (operating expenses and rent) will decrease by approximately 24.8 percent. After accounting for financing costs (interest payments), the present value of the State's occupancy costs will remain flat at \$2.3 million.

Table 27: Scenario 2 2013 and 2018 Occupancy and Operating Costs

	2013 Financial Obligation (PV in 2013)	2018 Financial Obligation (PV in 2013)	% Difference
Total USF	190,645	166,247	-12.8%
Recurring Occupancy Costs	\$2,338,612	\$1,758,440 ¹⁷	-24.8%
Total Cost Per RSF	\$12.27	\$10.58	-13.8%
Recurring and Financing Costs	\$2,338,612	\$2,341,146 ¹⁸	0.1%
Total Cost Per RSF	\$12.27	\$14.08	14.8%







4. Qualitative Analysis

¹⁷ Nominal value is equal to \$2,186,754, a decrease of 6.5 percent

¹⁸ Nominal value is equal to \$2,911,394, an increase of 24.5 percent

The Team also assessed the benefits and constraints of Scenario 2 relative to the State's strategic goals for both this Study and the management of FP&C real property State-wide. Ratings are assigned based on the extent to which each scenario 'Exceeds,' 'Partially Exceeds,' 'Meets,' 'Partially Meets,' or 'Fails to Meet' the evaluation criteria. Benefits are denoted with a plus sign (+) and constraints are denoted with a minus sign (-). The qualitative assessment for Scenario 2 is shown in the following table.

Table 28: Scenario 2 Qualitative Analysis Summary

Evaluation Criteria	Rating	Explanation
Operational Efficiency	 Partially Exceeds	<ul style="list-style-type: none"> ▪ Achieves modest operational efficiencies through co-location and adjacencies
Capital Deployment	 Partially Exceeds	<ul style="list-style-type: none"> + Obviates need for expensive capital renovation of existing SOB + Reduced energy consumption in newly constructed building + Leverages advantages gained by leasing in low-cost market - Capital investments result in reduced ratio of owned to leased space - Increase in expenditures for leased facilities
Flexibility	 Exceeds	<ul style="list-style-type: none"> + Increased flexibility to accommodate changes in space needs and evolving requirements due to efficient building design
Location	 Exceeds	<ul style="list-style-type: none"> + Located in Shreveport CBD + Access to public transportation and major highways/thoroughfares
Suitability	 Partially Exceeds	<ul style="list-style-type: none"> + Enhanced agency performance through modern, functionally appropriate office space and technology ▪ Suitability of State-leased space may be uneven across properties
Overall Rating	 Partially Exceeds	Overall scenario partially exceeds evaluation criteria objectives

				
Exceeds	Partially Exceeds	Meets	Partially Meets	Does Not Meet

5. Scenario Summary

A new, smaller (72,000 GSF) SOB combined with Class A leased space in downtown Shreveport would provide several advantages to State agencies. Capital investments would result in a reduced ratio of owned to leased space and this scenario would leverage advantages by leasing more office space in a low-cost market. In addition, this scenario would provide operational efficiencies through agency co-location and adjacencies. Enhanced agency performance could occur through modern, functionally appropriate office space and technology. The customers of several State agencies rely on public transportation and a downtown location would provide customers access to public transportation and major thoroughfares.

Scenario 2 achieves a smaller amount of owned space relative to Scenario 1, but it would also obviate the need for expensive capital renovation of the existing SOB. However, this scenario would increase expenditures for leased facilities and the suitability of leased space could be uneven across properties. Unlike the existing SOB, a newly constructed building would realize reduced energy consumption due to the incorporation of modern technologies. An efficient floor plan and building design could accommodate changes in space needs and evolving requirements.

F. Scenario 3: Lease Existing Office Space

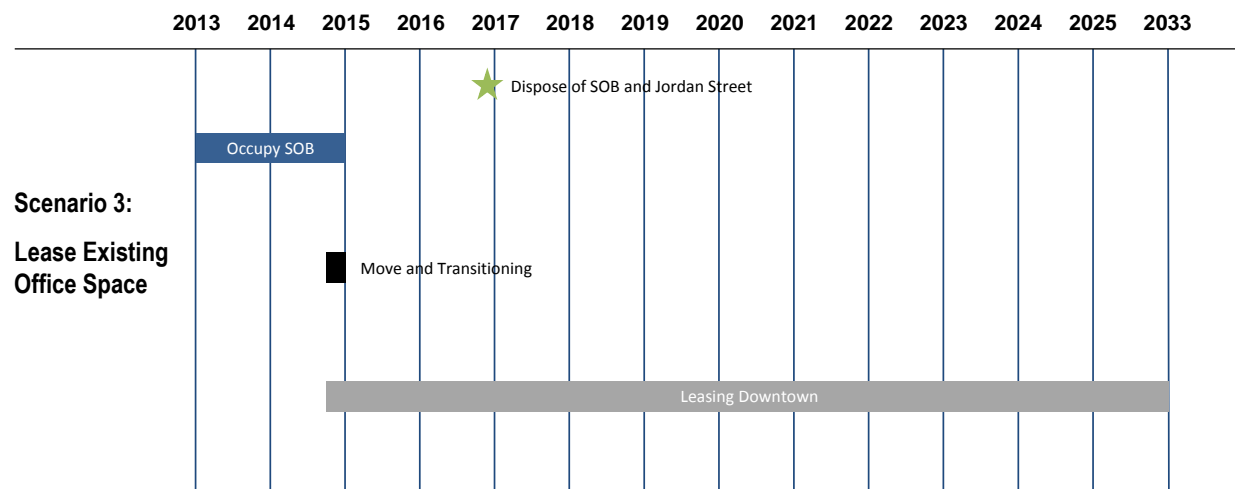
1. Scenario Overview

This scenario examines the feasibility of moving all agencies to any class of leased space, with the majority of agencies located in downtown Shreveport. In this scenario, both the existing SOB and Jordan Street buildings would be vacated and sold. Selected agencies already in leased space outside of the downtown area were moved downtown. The proposed housing locations for all users of space in Shreveport are identified in the matrix shown in Appendix D.

2. Conceptual Timeline

The figure below provides an approximate timeline for execution and implementation of Scenario 3.

Figure 17: Scenario 3 Conceptual Timeline by Fiscal Year¹⁹



Agencies occupying the existing SOB will remain in place through the end of FY2014. Two years is allotted to perform appropriate property searches and to outfit space for all agencies suitable for consolidation, as identified in Section III.5 of the report. Agencies that are suitable for consolidation will move to leased space downtown, while agencies unsuitable for consolidation will remain in or move to leased space outside downtown Shreveport. The moves will occur at the end of FY2014, as indicated in the timeline above.

Once the existing SOB is vacated, the State will be able to recoup the value of the property through disposal. The timeline displays an approximate sale date for the existing SOB site in the end of FY2016. Finally, after the sale of the SOB is completed, it is assumed that all agencies space will remain in place through FY2032.

¹⁹ Timeline based on State of Louisiana fiscal calendar

3. Cost Analysis

a) Key Assumptions

The following list provides a summary of the key assumptions used in the financial analysis for Scenario 3. A complete list of assumptions is located in Appendix E.

Table 29: Scenario 3 Financial Assumptions

Key Assumption	Summary Description
Recurring Occupancy Costs	
Existing SOB Operating Expenses and State Leases in Shreveport	<ul style="list-style-type: none"> The State will continue to pay annual expenses to maintain and occupy the existing SOB until it is vacated in FY 2014. Existing leases will continue until the agency vacates existing leased space to relocate into new leased space.
Future State Leases in Shreveport	<ul style="list-style-type: none"> New leases will be initiated, at market rents, for the State agencies. Rents are escalated on a "step-up" basis every five years at an annualized rate of inflation.
Parking	<ul style="list-style-type: none"> No recurring cash flows are associated with parking.
Capital Improvements	<ul style="list-style-type: none"> Capital improvements at the existing SOB will be phased out prior vacating the building.
Non-Recurring Project Costs	
Furniture, Fixtures, and Equipment (FF&E)	<ul style="list-style-type: none"> Included for all moves to leased space.
Move Costs	<ul style="list-style-type: none"> Calculated based on the relocation strategies described earlier in this section.
Decommissioning Costs	<ul style="list-style-type: none"> Incurred at leased and owned locations, which are vacated as part of scheduled moves.
Net Property Value	
Sale Proceeds from State Owned Buildings	<ul style="list-style-type: none"> Proceeds from the sale of the existing SOB and Jordan Street buildings were derived on a per-acre basis using market standards.

b) Analysis

The present value of all project costs associated with Scenario 3 is estimated to be approximately \$60.4 million for the period between FY2013 and FY2033. The table below reports the breakdown of present value costs by recurring, non-recurring costs, net property value, and financing costs.

Table 30: Scenario 3 Financial Summary

Scenario 3: Lease Existing Office Space	
Recurring Occupancy Costs (NPV - 2013 dollars)	
Private Sector Leases	\$39,753,259
Existing State Office Building OpEx	\$1,449,810
New State Office Building OpEx	\$0
Capital Reserves	\$142,341
Total Recurring Occupancy Costs	\$41,345,410
Non-Recurring Project Costs (NPV - 2013 dollars)	
Total Relocation and Transition Costs	\$472,856
Land Purchase	\$0
Construction Costs	\$0
Furniture, Fixtures, & Equipment	\$7,483,596 ²⁰
Total Non-Recurring Project Costs	\$7,956,453
Financing Costs (NPV - 2013 dollars)	
Interest on Loan Proceeds	\$0
TOTAL OBLIGATIONS	\$49,301,862
Total Property Value (NPV – 2013 dollars)	
Accumulated Deferred Maintenance	\$0
Reversion Value	\$0
Sale Proceeds from State Buildings	\$918,495
Less: Total Net Property Value	\$918,495
TOTAL SCENARIO COSTS	\$48,383,368
TOTAL LOAN PROCEEDS (Nominal Value)	\$0

Scenario 3 consists of the disposing of the existing SOB and relocating into 98,000 USF of new leased space in downtown Shreveport, which reduces the State's occupied footprint by more than 21,000 USF. The primary cost drivers unique to this scenario are the market lease rates. Although the State leased footprint increases by almost 98,000 USF, this scenario does not have any capital outlay.

A second cost driver is the sale price of the existing SOB, which was derived from local sales comparables. Assuming market conditions remain stable or improve in the City of Shreveport, the outlook of the scenario will improve based on an increase in the consideration received from the sale of the SOB.

This scenario does not require any financing or future loan payments. However, the scenario will require an investment of furniture and relocation costs of almost \$8 million (2013 dollars). The state

²⁰ All costs borne by those agencies assumed to move into 168,908 GSF of private leased space

could reduce the scenario costs by requiring certain agencies to retain their existing furniture if the furniture can be accommodated in the new space.

Annual occupancy costs (leases and operating costs) to the State are expected to increase in FY2014 after vacating the SOB and relocating to leased space. Lease costs are expected to increase at the rate of inflation on a “step-up” basis every five years. There are no interest payments in this scenario. The schedule below illustrates the projected annual budget obligations for the first six years of the project (FY2013-FY2018).

Table 31: Scenario 3 Annual Financial Obligations

Cost Item	2013	2014	2015	2016	2017	2018
Recurring Costs (Nominal Dollars)						
Recurring Occupancy Costs	\$2,228,682	\$2,351,454	\$2,392,189	\$2,392,189	\$2,392,189	\$2,654,142
Financing Costs	\$0	\$0	\$0	\$0	\$0	\$0
Total Recurring + Financing Costs	\$2,228,682	\$2,351,454	\$2,392,189	\$2,392,189	\$2,392,189	\$2,654,142
Non-Recurring Costs (Nominal Dollars)						
Relocation and Transition Costs	\$0	\$490,352	\$0	\$0	\$0	\$0
Land Purchase	\$0	\$0	\$0	\$0	\$0	\$0
Construction Costs	\$0	\$0	\$0	\$0	\$0	\$0
FF&E	\$0	\$20,228,234	\$0	\$0	\$0	\$0
Total Non-Recurring	\$0	\$20,718,586	\$0	\$0	\$0	\$0
Total Annual Budget	\$2,228,682	\$23,070,039	\$2,392,189	\$2,392,189	\$2,392,189	\$2,654,142

The table below presents the present value of recurring occupancy costs (with and without financing) in FY2013 and FY2018. This analysis compares the future annual payments in current dollar amounts. These costs exclude non-recurring costs such as construction and move costs. After completion of the new SOB, the present value of the State’s annual occupancy costs (operating expenses and rent) will decrease by approximately 4.2 percent. There are no additional financing costs associated with this scenario.

Table 32: Scenario 3 2013 and 2018 Occupancy and Operating Costs

	2013 Financial Obligation (PV in 2013)	2018 Financial Obligation (PV in 2013)	% Difference
Total USF	190,645	168,908	-11.4%
Recurring Occupancy Costs	\$2,228,682	\$2,134,281 ²¹	-4.2%
Total Cost Per RSF	\$11.69	\$12.64	8.1%







4. Qualitative Analysis






The Team also assessed the benefits and constraints of Scenario 3 relative to the State’s strategic goals for both this Study and the management of FP&C real property State-wide. Ratings are assigned based on the extent to which each scenario ‘Exceeds,’ ‘Partially Exceeds,’ ‘Meets,’ ‘Partially Meets,’ or ‘Fails to Meet’ the evaluation criteria. Benefits are denoted with a plus sign (+)

²¹ Nominal value is equal to \$2,654,142, an increase of 19.1 percent

and constraints are denoted with a minus sign (–). The qualitative assessment for Scenario 3 is shown in the following table.

Table 33: Scenario 3 Qualitative Analysis Summary

Evaluation Criteria	Rating	Explanation
Operational Efficiency	 Does Not Meet	<ul style="list-style-type: none"> Minimizes disruptions to operations; limits moves and interim relocations – No efficiencies realized through co-location and adjacencies
Capital Deployment	 Meets	<ul style="list-style-type: none"> + Obviates need for expensive capital renovation of existing SOB + Leverages advantages gained by leasing in low-cost market – Capital investments result in reduced ratio of owned to leased space
Flexibility	 Exceeds	+ Enhanced flexibility to accommodate changes in space needs and evolving requirements
Location	 Exceeds	<ul style="list-style-type: none"> + Located in Shreveport CBD + Access to public transportation and major highways/thoroughfares
Suitability	 Meets	<ul style="list-style-type: none"> Suitability of State-leased space may be uneven across properties
Overall Rating	 Meets	Overall scenario meets evaluation criteria objectives

 Exceeds
  Partially Exceeds
  Meets
  Partially Meets
  Does Not Meet

5. Scenario Summary

Relocating all applicable State agencies to leased space in downtown Shreveport would provide a few advantages. This scenario obviates the need for expensive capital renovation of the existing SOB and would leverage advantages gained by leasing office space in a low-cost market. Relative to Scenario 2, this scenario would provide greater flexibility to accommodate changes in space needs and evolving requirements. The customers of several State agencies rely on public transportation, and relocating all applicable agencies to leased space downtown would provide customers access to public transportation and major thoroughfares.

Despite minimizing disruptions to operations, because this scenario does not include the construction of a new SOB, no efficiencies would be realized through co-location and adjacencies. This scenario would increase expenditures for leased facilities (due to the reduced ratio between owned and leased space) and the suitability of leased space could be uneven across properties.

VII. Comparative Analysis of Alternatives

A. Side-by-Side Assessment

Upon completion of each of the scenario assessments, the results of the financial and qualitative analyses were compared across scenarios.

1. Financial Analysis

The following table contains summary results of the 20-year net present value analysis.

Table 34: Financial Analysis Summary

Cost Item	Baseline: Modernize SOB	Scenario 1: Construct 149K GSF Building	Scenario 2: Construct 72K GSF Building	Scenario 3: Lease Existing Office Space
Recurring Occupancy Costs				
Private Sector Leases	\$16,906,292	\$15,119,830	\$26,070,774	\$39,753,259
Existing State Office Building OPEX	\$20,671,725	\$3,899,411	\$3,342,755	\$1,449,810
New State Office Building OPEX	\$0	\$10,927,644	\$5,452,020	\$0
Capital Reserves	\$1,401,013	\$1,306,577	\$773,740	\$142,341
Total Recurring Occupancy Costs	\$38,979,031	\$31,253,462	\$35,639,289	\$41,345,410
Non-Recurring Project Costs				
Total Relocation and Transition Costs	\$282,757	\$479,948	\$482,205	\$472,856
Land Purchase	\$0	\$3,494,618	\$1,729,892	\$0
Capital Improvements	\$16,608,581	\$33,971,340	\$16,901,362	\$0
Furniture, Fixtures, & Equipment	\$0	\$7,270,975	\$7,266,479	\$7,483,596
Total Non-Recurring Project Costs	\$16,891,338	\$45,216,881	\$26,379,937	\$7,956,453
Financing Costs				
Interest on Loan Proceeds	\$7,829,200	\$17,138,267	\$8,742,327	\$0
Total Financing Costs	\$7,829,200	\$17,138,267	\$8,742,327	\$0
TOTAL OBLIGATIONS	\$63,699,569	\$93,608,609	\$70,761,553	\$49,301,862
Accumulated Deferred Maintenance	\$0	\$0	\$0	\$0
Reversion Value	\$2,477,286	\$7,529,460	\$3,638,213	\$0
Sale Proceeds from SOB & Jordan St	\$0	\$957,477	\$937,783	\$918,495
TOTAL PROPERTY VALUE	\$2,477,286	\$8,486,936	\$4,575,996	\$918,495
TOTAL SCENARIO COSTS	\$61,222,283	\$85,121,673	\$66,185,557	\$48,383,368
TOTAL LOAN PROCEEDS	\$17,539,249	\$39,875,708	\$19,584,866	\$0

The results of the financial analysis are driven by a set of assumptions regarding project development and operating costs. To ensure a robust evaluation, we conducted a sensitivity analysis on those assumptions that are most sensitive to increases or decreases, specifically construction costs and rental rates. This analysis is summarized by the following:

- For the Scenario 2 NPV to equal the Baseline NPV, construction costs would need to be reduced by 15 percent or land must be acquired at zero cost

- For the Scenario 2 NPV to equal the Scenario 3 NPV, construction costs would need to be reduced by more than 50 percent or rental rates would need to be increased from \$14/USF to \$26/USF
- Scenario 2 will always result in a lower NPV than Scenario 1

2. Qualitative Analysis

The following table contains summary results of the qualitative analysis.

Table 35: Qualitative Analysis Summary

Evaluation Factor	Baseline: Modernize SOB	Scenario 1: Construct 149K GSF Building	Scenario 2: Construct 72K GSF Building	Scenario 3: Lease Existing Office Space
Operational Efficiency				
Capital Deployment				
Flexibility				
Location				
Suitability				
Summary Rating				
Owned vs. Leased (Portfolio)	22% / 78%	22% / 78%	12% / 88%	2% / 98%

	Exceeds		Partially Exceeds		Meets		Partially Meets		Does Not Meet
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B. Conclusions and Recommendations

Scenario 2 presents the best option for the consolidation of State agencies in a downtown location when considering both the quantitative and qualitative evaluation criteria. This scenario maintains a State-owned presence while leveraging advantages of leasing in a low-cost market. It reduces the State's owned and leased footprint by approximately 24,000 USF through more efficient space utilization and provides the State with flexibility to adjust to changes in space needs, such as agency

reductions, by not building a larger fixed asset. Further study may reveal that additional footprint and cost reductions can be achieved through implementation of teleworking, hoteling, space sharing and other alternative workplace strategies.

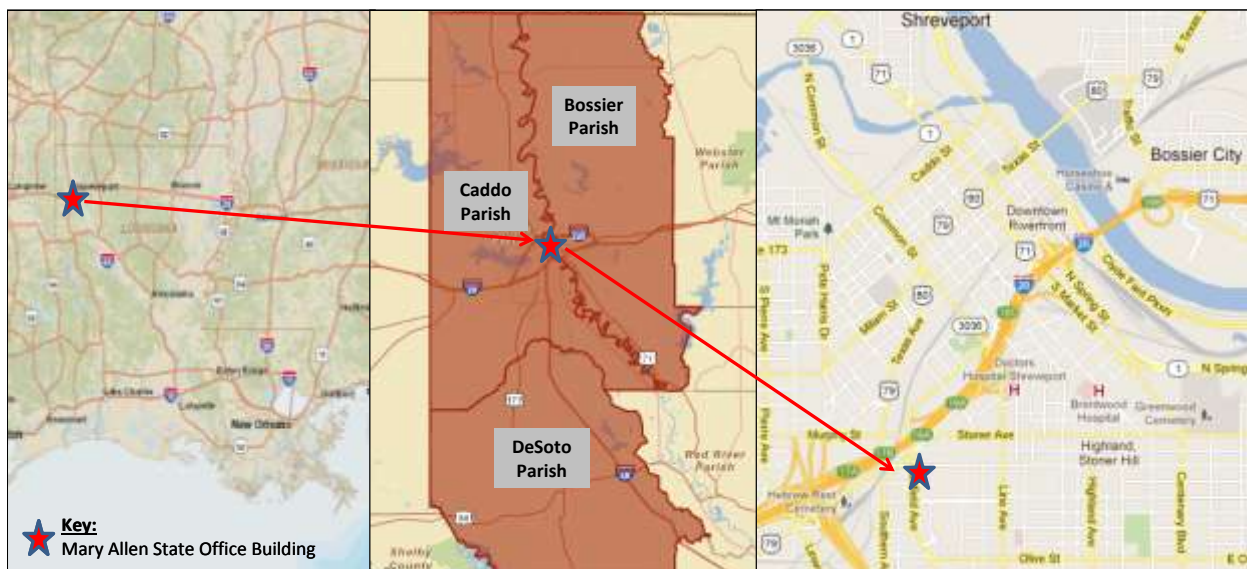
Should consolidation in a downtown location not be chosen, modernization of the SOB presents the best stand-alone asset management strategy.

VIII. Appendix A: Shreveport Office Market Analysis

A. Overview

The City of Shreveport (the “City”), the third largest city in the State of Louisiana, is located in Caddo Parish in the northwest area of the State. Shreveport is adjacent to Bossier City (separated by the Red River), which is located in Bossier Parish. Caddo Parish, Bossier Parish, and DeSoto Parish (south of Caddo Parish) constitute the Shreveport/Bossier City Office Market as illustrated in the following figure.²²

Figure 18: Shreveport/Bossier City Market Area



(Source: Google Maps)

B. Local Market Economic Conditions

The local Shreveport economic conditions and real estate office market fundamentals raise questions as to the short- and long-term potential for growth in this product segment. While economic conditions have appeared to improve in recent years, the office market has remained relatively unchanged. Construction activity in the local Shreveport market has declined slightly, as the number of commercial construction permits decreased from 70 to 53 between the second quarter of 2010 and the second quarter of 2011.²³ Since 2007, the market added only 10 buildings, resulting in a net increase of 100K square feet of space while the vacancy rate increased by more than 50 percent during the same period. This market analysis will provide an overview of the office market statistics and demonstrate that the economic trends in Shreveport may not have a direct impact on growth in its office market.

²²Shreveport/Bossier City Office Market and submarkets are defined by CoStar Realty Information, Inc, a national provider of commercial real estate information and analytic services. For more information on CoStar, please see <http://www.costar.com/about/>.

²³ U.L. Coleman Companies “Commercial Real Estate Review,” Fall 2011.

The top employers in the local Shreveport economy are healthcare providers, Barksdale Air Force Base (AFB), and several casinos. As of July 2011, the Shreveport unemployment rate was approximately 7.3 percent, which was about two percent lower than the national average during the same period.²⁴ This relatively low unemployment rate can be attributed to low business costs and the increase in natural gas drilling companies located at nearby Haynesville Shale natural gas field. Shreveport's share of employment in natural resources has more than doubled since the discovery of the Haynesville Shale in 2007.²⁵ Natural gas prices are expected to appreciate an additional 25 percent during 2012, which may lead to a surge in drilling permits and job opportunities, and consequently the demand for office space.²⁶

Despite a stable employer base and a relatively low unemployment rate, per capita incomes are decreasing relative to national and state averages. Consumer spending is also limited, in part due to declining housing prices. Shreveport's high dependence on the Haynesville Shale gas reserve could become problematic if the natural gas industry declines. In addition, although Shreveport has maintained a prevalent casino industry since 1994, Texas recently legalized casino gambling, which may impact Shreveport's largest industry. Construction for the Margaritaville Casino in Bossier Parish is scheduled to begin in February 2012, which will create new jobs for the region. Although this new construction project will create approximately 1K temporary construction jobs and approximately 1,500 permanent casino jobs, half of the jobs created will be part-time and will not provide benefits.²⁷

During the long-term, Shreveport's income and job growth may be unable to keep pace with the national averages. A significant reliance on low-skilled service jobs (i.e., casino employment) does not ensure robust long-term growth, and low household incomes and a less-educated workforce may discourage business investment.

C. Shreveport/Bossier City Office Market

The broader Shreveport/Bossier City Office Market includes Caddo Parish, Bossier Parish, and DeSoto Parish. The table below provides an overview of the standard office statistics for this market. Unless otherwise specified, all data were provided by CoStar Realty Information Services.

Table 36: Shreveport/Bossier City Office Inventory – Market Statistics

Year	Total # of Office Bldgs	Total Inventory (SF)	Vacancy (SF)	Vacancy (%)	Absorption (SF)	2011 Delivered (SF)	Under Construction	Avg. Asking Rent (Full Service)
2011	651	9,187,262	1,228,823	13.4%	43,480	32,129	159,118	\$12.02
2010	646	9,155,133	1,240,174	13.5%	(103,887)	4,400	110,221	\$11.76
2009	645	9,150,733	1,131,887	12.4%	(59,695)	13,213	24,600	\$11.63
2008	641	9,127,145	1,048,604	11.5%	(277,236)	12,900	95,239	\$11.63
2007	639	9,114,245	758,468	8.3%	318,394	153,230	38,700	\$11.14

Source: CoStar

²⁴ Moody's Analytics "Précis U.S. Metro/South," July 2011.

²⁵ Ibid.

²⁶ Ibid.

²⁷ Ibid.

1. Inventory and Vacancy

At the end of 2011, total office inventory was estimated to be 9.2 million square feet in 651 buildings. As shown in the table above, total inventory increased by only 73K square feet since 2007 (0.8 percent). However, the vacancy rate increased from 8.3 percent to 13.4 percent (460K square feet) during the same period. Despite the fact that the 2011 vacancy rate remained relatively the same as its five-year high in 2010, approximately 32K square feet of new office space was constructed in this market in 2011, with an additional estimated 159K square feet currently under construction.²⁸

Of the 651 buildings, only 15 (or 2.3 percent) are larger than 100K square feet, and an additional 18 buildings (or 2.8 percent) are between 50K and 100K square feet. More than 72 percent of the inventory consists of buildings with less than 10K total square feet. This indicates that tenants, such as the State of Louisiana, with space needs greater than 10K square feet, do not have many opportunities in the existing office building market. For example, the table below lists all of the properties as of January 18, 2012 with at least 50K square feet of office space available for immediate occupancy. All of these properties are located within the Central Business District (CBD) of Shreveport. Only one building has more than 100K square feet available, which is 509 Marshall Street.

Table 37: Shreveport/Bossier City Office Inventory – Available Space Over 50K SF

Building Address	Building Name	Building Class	Submarket Name	Stories	Asking Rent	Rentable Building Area	Total Available Space (SF)
509 Marshall St	Dean Slattery Building	C	CBD	17	\$12.00/SF	181,764	181,747
650 Texas St		C	CBD	9	Withheld	92,973	92,970
610 Marshall St	Lane Building	C	CBD	10	\$9.00/SF	83,166	74,996
400 Travis St	Beck Building	A	CBD	20	\$13.50/SF	231,422	65,642
401 Market St	American Tower	C	CBD	16	\$15.00/SF	196,494	57,774

Source: CoStar

For the purposes of this report, the following CoStar classifications will be used to describe the relative condition, location, desirability and pricing of the buildings to be analyzed:

- **Class A:** Describes buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.
- **Class B:** Describes buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer

²⁸ CoStar Realty Information Services

utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

- **Class C:** Describes buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

The Class A office sector totaled 722,618 square feet across four buildings. There were 77 Class B buildings totaling approximately 2.0 million square feet, and the Class C sector totaled approximately 6.4 million square feet in 570 buildings. Within the Shreveport/Bossier City office market there were 10 owner-occupied buildings accounting for 101,641 square feet of office space. The table below presents the breakdown among Class A, B, and C buildings in the broader market.

Table 38: Shreveport/Bossier City Office Inventory – By Building Class

Building Class	# of Buildings	Rentable Building Area (SF)	% of Rentable Building Area	Vacancy
A	4	722,618	7.9%	7.2%
B	77	2,023,752	22.0%	11.3%
C	570	6,440,892	70.1%	14.7%
Total	651	9,187,262	100%	13.4%

Source: Co-Star

2. Absorption

The Shreveport/Bossier City office market experienced net absorption of 43,480 square feet through the end of 2011, which represents the first year of positive absorption since 2007. Most of this absorption was reported among Class B and Class C properties. At the end of 2011, there were 647 combined Class B and Class C properties compared to four reported Class A properties. Through the end of 2011, Class A properties reported negative absorption of 2,105 square feet. Positive absorption contributed to the slight reduction of the vacancy rate and may be a positive indicator that the office market has the potential to rebound in the short- or long-term.

3. Rents

The Shreveport/Bossier City office market ended 2011 with average asking rents of \$12.02 per square foot, a moderate increase of 5.5 percent since 2007. As long as vacancy remains above 10 percent without much new construction in the market, rental rates will remain static with limited growth. Typical asking rents in this market are full service, which means a fixed amount for operating expenses and real estate taxes is already included in the rent payment. However, a growing number of buildings, both new and older, are listing triple-net rent figures (which exclude operating

expenses, insurance and real estate taxes). This shift represents a fundamental difference in the way landlords and tenants in Shreveport negotiate leases.

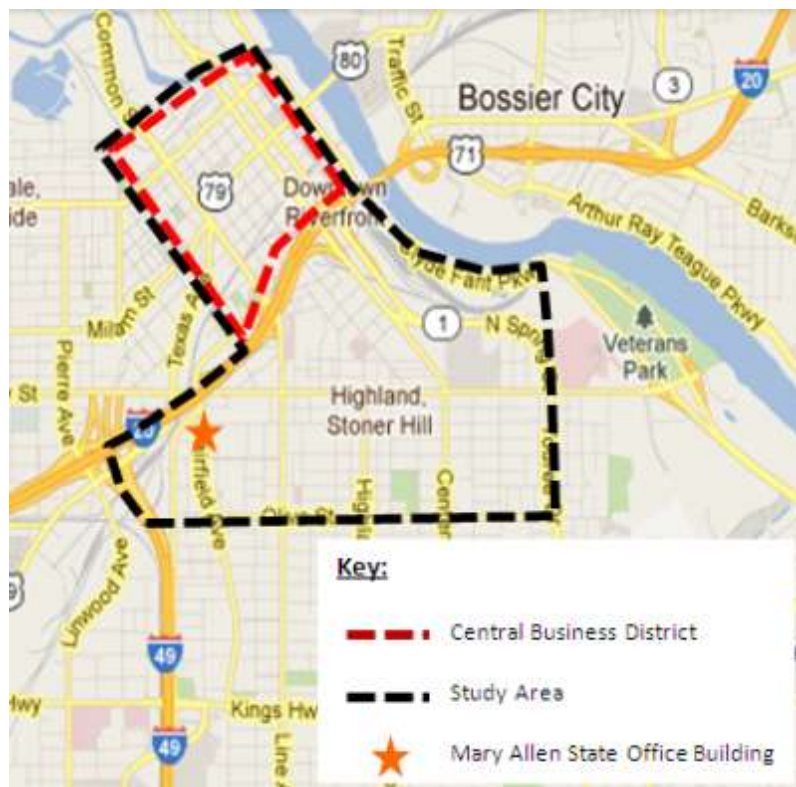
D. Study Area Office Market

The Shreveport/Bossier Office Market is comprised of nine submarkets. This market analysis highlights the key characteristics for the CBD and an adjacent surrounding area that includes the site of the Mary Allen State Office Building. These two regions comprise what will be called the Shreveport Consolidation Study Area (“study area”). The study area is bounded by the Red River and Clyde Fant Parkway to the north, Interstate 20 to the southwest, Olive Street to the south, and State Route 1 (Youree Street) to the east.

Characteristics of the study area include proximity to downtown, public transportation, and major roadways. This area was evaluated based on market strength as measured by prevailing rental rates, vacancy rates, and absorption rates. The area was also assessed based on space availability, outlook, and the feasibility of consolidating State of Louisiana office facilities in the Shreveport area.

Peripheral submarkets such as the Bossier Parish, North, West, Southwest, Southeast, and East submarkets were excluded from this analysis, as these regions lack sufficient access to public transportation and major roadways. The study area for this analysis is delineated in the following figure.

Figure 19: Shreveport Consolidation Study Area



1. Key Statistics & Market Fundamentals

As indicated in the table below, approximately 5.1 million square feet (56 percent of the total inventory) is located within the delineated study area. This area also contains 152 buildings, excluding any non-reported owner-occupied buildings, which represents approximately 23 percent of the total office building inventory in the Shreveport/Bossier City Office Market. The table below highlights key office market statistics for the study area.

Table 39: Study Area Office Market Statistics Compared to Shreveport/Bossier City Market

Market	Existing Inventory		Vacancy (SF)	Vacancy %	YTD Net Absorp.	YTD Deliveries	Avg. Asking Rent (Full Service)
	# Office Bldgs	Total Rentable Building Area					
Study Area	152	5,099,229	707,351	13.7%	161,472	0	\$11.67
Shreveport / Bossier City Market	651	9,187,262	1,228,823	13.4%	43,480	32,129	\$12.02

(Source: CoStar)

Overall, the study area's office market fundamentals have remained fairly constant during the previous five years. Similar to the broader Shreveport/Bossier City market, the study area is mostly comprised of Class C buildings. Of the 152 total buildings, three are Class A, 15 are Class B, 133 are Class C, and one building is Class F space. Since 2007, only one building totaling 10,375 square feet has been delivered. During that same time period, average asking rents have increased approximately 15 percent. The table below provides the key statistics for the study area for the previous five years.

Table 40: Study Area – Office Market Statistics (2007-2011)

Year	Total # of Office Bldgs	Total Inventory (SF)	Vacancy (SF)	Vacancy (%)	Absorption (SF)	2011 Delivered (SF)	Under Construction (SF)	Avg. Asking Rent (Full Service)
2011	152	5,099,229	700,508	13.7%	161,472	0	0	\$11.67
2010	152	5,099,229	861,980	16.9%	(58,676)	0	0	\$11.35
2009	152	5,099,229	803,304	15.8%	7,358	0	0	\$11.65
2008	151	5,088,854	800,287	15.7%	(213,428)	1	10,375	\$11.50
2007	151	5,088,854	586,859	11.5%	150,621	0	0	\$10.17

(Source: CoStar)

2. Space Availability & Outlook

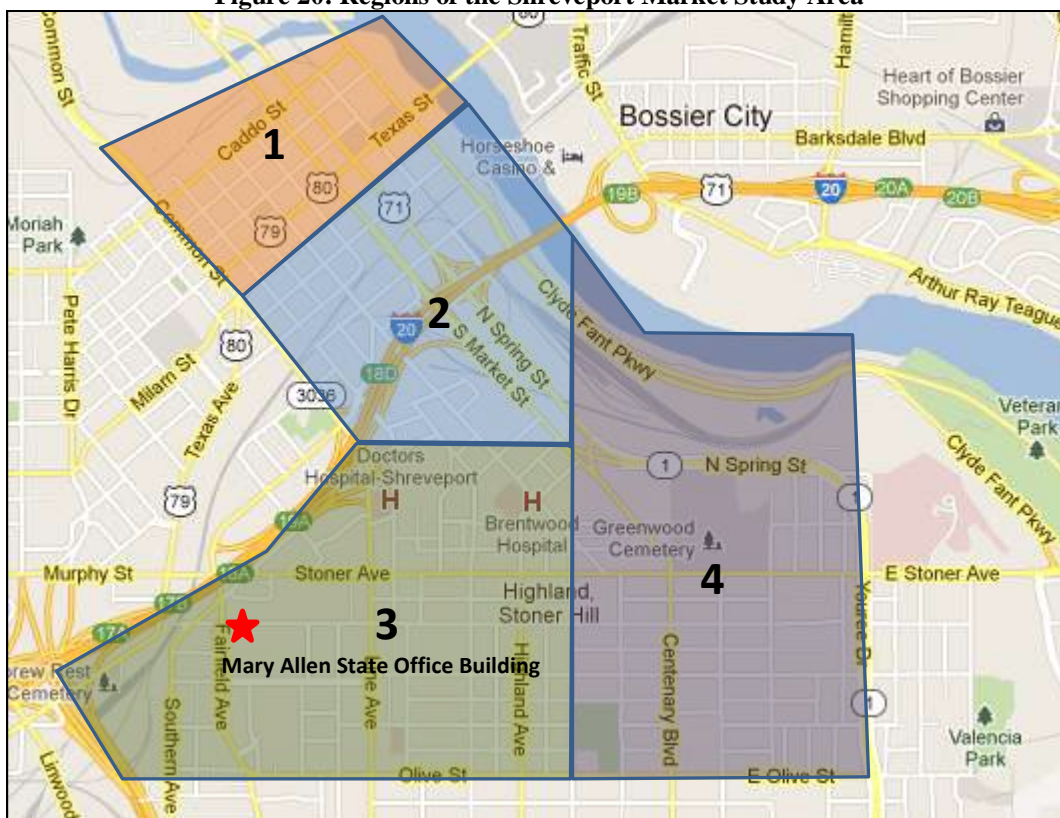
Despite experiencing positive absorption of 161,472 square feet, the study area's two largest lease signings of 2011 totaled only 8,006 square feet, as the region has few large blocks of space. Unless an entire building is vacated, it is unlikely that an existing building in the Shreveport area could accommodate the State of Louisiana's Shreveport customer agency needs in one

contiguous space. However, the study area contains multiple vacant land parcels that could serve as possible locations for a build-to-suit opportunity.

E. Study Area Office Building and Land Inventory

As referenced above, the Shreveport study area contains multiple vacant land parcels that could serve as possible locations for a new State Office Building. In addition, the study area has a limited number of available buildings that could accommodate current leased space needs. This section details buildings and land parcels that could serve as possible locations for a new office building. In addition, each map shows prominent uses of space including public, commercial, residential, hospitality, institutional, transportation, parking, and open space. Data for this analysis were limited to vacant parcels of land of at least 0.2 acres and buildings that are currently for sale. The figure below outlines four distinct regions of suitable office and land inventory in the delineated study area.

Figure 20: Regions of the Shreveport Market Study Area

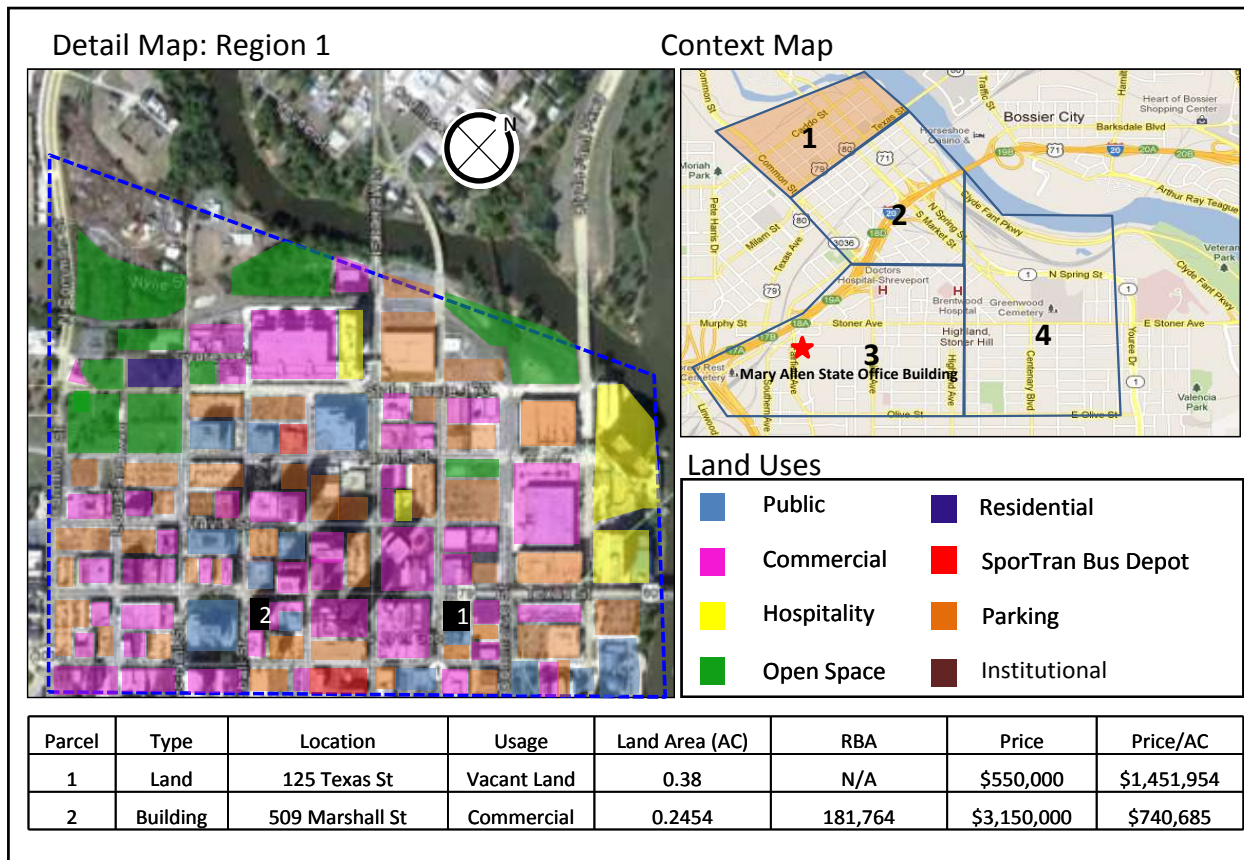


(Source: Google Maps)

a) Region 1

Region 1 includes the northern part of the CBD and adjacent areas to the north and west. This region is bordered by an unnamed tributary to the northwest, Common Street to the southwest, Milam Street to the southeast, and Clyde Fant Parkway/the Red River to the northeast. The figure below outlines available buildings, vacant land parcels, and current land uses in the region.

Figure 21: Shreveport Market Study Area – Region 1



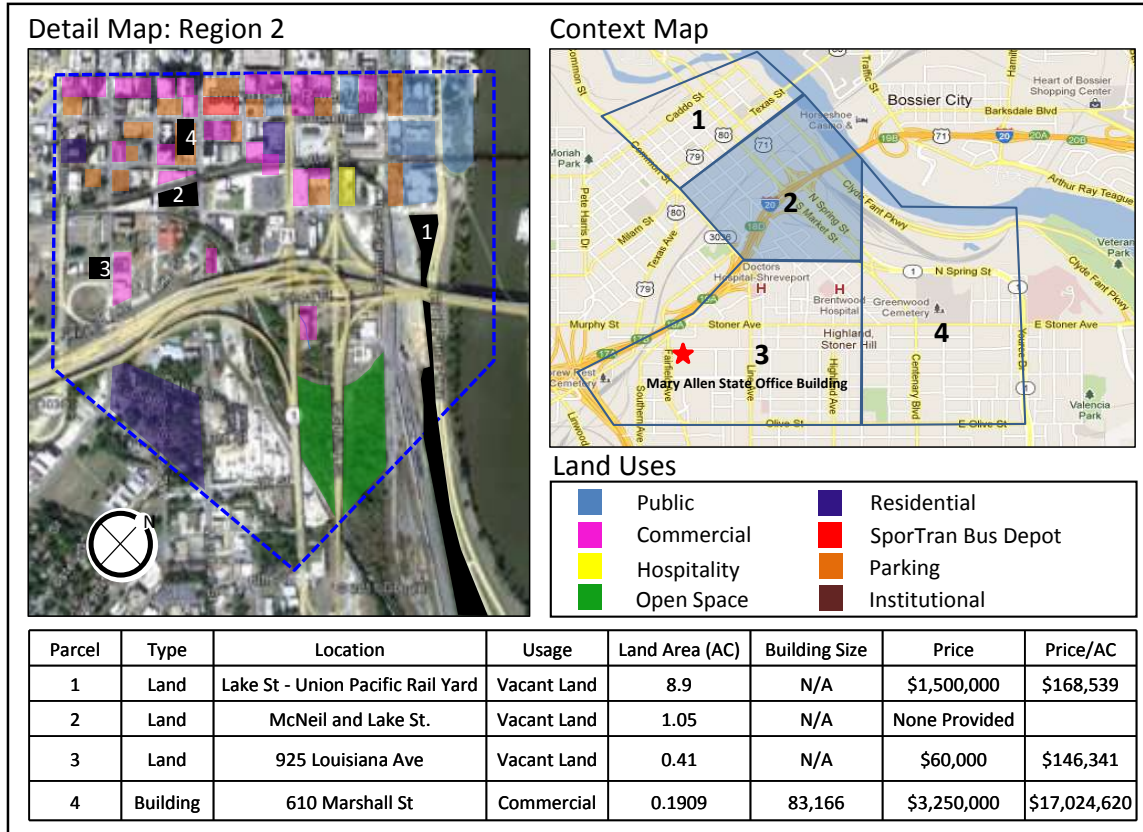
(Source: Google Maps and CoStar)

Because this region is located in the CBD, it is primarily comprised of commercial and public space. This region also contains significant open space, parking facilities, and a Greyhound Bus Station. Due to the CBD's development density, few vacant land parcels exist that could serve as possible locations for a new office building. The approximately 14,300 RSF Greyhound Bus Terminal located at 408 Fannin Street is neither for sale nor a viable candidate for re-location as it will likely be converted into green space as part of a Federal Transit Administration grant program. Although the one available vacant land parcel is only 0.38 acres, the surrounding area has several parking facilities. Unavailable vacant land parcels that appear to provide sufficient space for the development of office space and associated parking also exist in this region. The one available office building located at 509 Marshall Street could accommodate either all of the State of Louisiana's owned space in the Mary Allen Building or a considerable amount of leased space housed in Shreveport, but not the entire portfolio of owned and leased space that is available for consolidation.

b) Region 2

Region 2 includes the central and southern parts of the CBD and adjacent areas south of Interstate 20. This region is bordered by Milam Street to the northeast, Common Street to the southeast, Springhill Street to the south, Gilbert Drive to the east, and Clyde Fant Parkway/the Red River to the northeast. The figure below outlines available buildings, vacant land parcels, and current land uses in the region.

Figure 22: Shreveport Market Study Area – Region 2



(Source: Google Maps and CoStar)

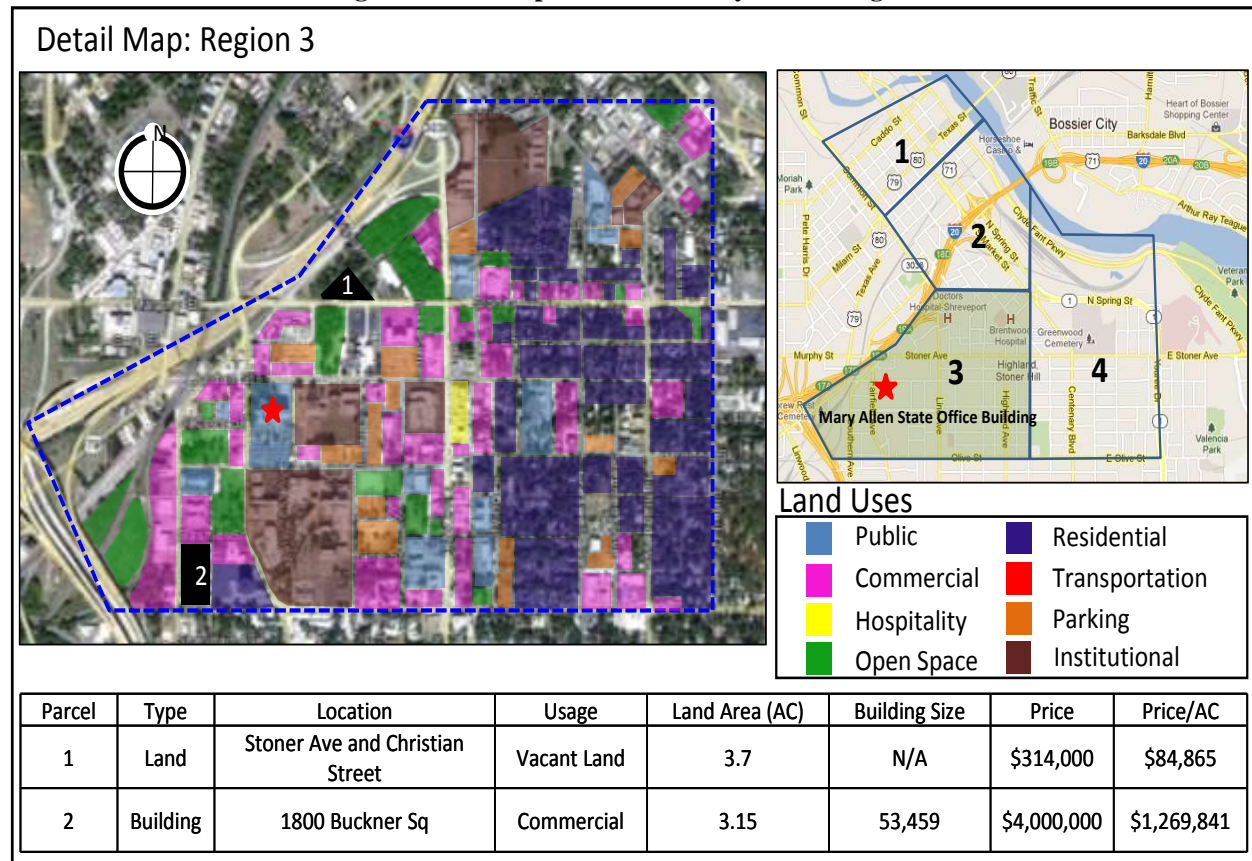
Like Region 1, this region is primarily comprised of commercial and public space. However, this region has three vacant land parcels that could serve as locations for a new office building. These vacant land parcels are located in the CBD and are accessible to public transportation and major roadways. Region 2 has one building for sale totaling 83,166 square feet, located at 610 Marshall Street. This office building could accommodate neither the entirety of the State of Louisiana's owned space (if relocated from the Mary Allen Building) nor its leased space housed in Shreveport (if all leased space was consolidated).

c) Region 3

Region 3 is bounded by Interstate 20 to the northwest, Interstate 49 to the southwest, Olive Street to the south, and Gilbert Drive to the east. The Mary Allen State Office Building and the Fire Marshal

Building (960 Jordan Street) are located within this region. The figure below outlines available buildings, vacant land parcels, and current land uses in the region.

Figure 23: Shreveport Market Study Area – Region 3

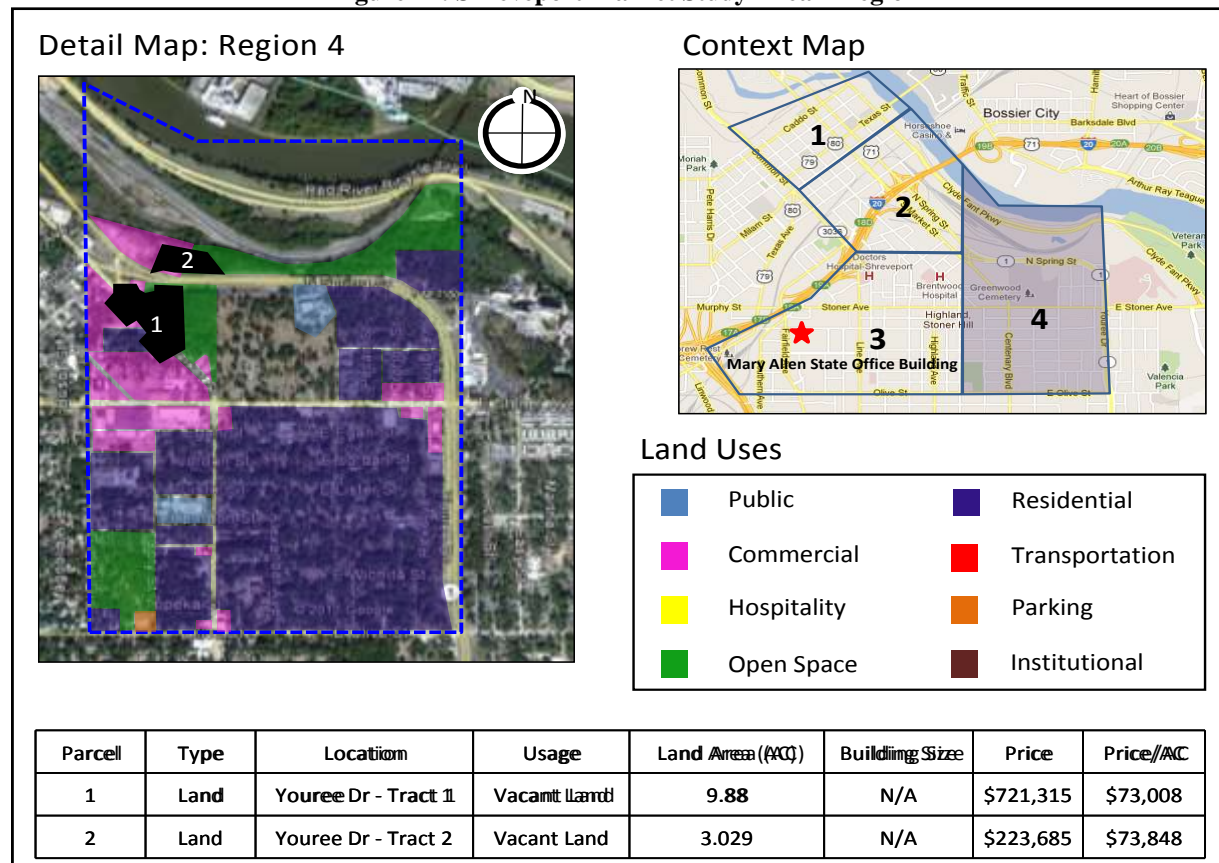


(Source: Google Maps and CoStar)

Region 3 is not located in the CBD and is primarily comprised of residential space. This region also contains significant commercial and open space. The region's only vacant land parcel for sale is 3.7 acres and could provide sufficient space for a new office building and parking facilities. Despite having ample parking facilities, this region has limited access to public transportation, which may not satisfy departmental and agency needs. The office building located at 1800 Buckner Square, could accommodate neither the entirety of the State of Louisiana's owned space (if relocated from the Mary Allen Building) nor its leased space housed in Shreveport (if all leased space was consolidated).

d) Region 4

Region 4 is bounded by Clyde Fant Parkway/the Red River to the north, Gilbert Drive to the west, Olive Street to the South, and State Route 1 (Youree Drive) to the east. The figure below outlines available buildings, vacant land parcels, and current land uses in the region.

Figure 24: Shreveport Market Study Area – Region 4

(Source: Google Maps and CoStar)

Because Region 4 is further from the CBD, it primarily contains residential space. This region has two, large vacant land parcels for sale that could accommodate a new office building. However, these parcels are not located near major roadways or public transportation. This region does not have existing office buildings available for sale that could accommodate either the entirety of State of Louisiana's owned space (if relocated from the Mary Allen Building) or its leased space housed in Shreveport (if all leased space was consolidated).

F. Conclusion

Overall, market fundamentals in the Shreveport/Bossier City office market are expected to remain constant in the short run, with no foreseeable dramatic changes in market conditions. Only four buildings were delivered in the first three quarters of 2011, all of which occurred in the peripheral Southeast submarket. This trend is expected to continue as developers are unwilling to build without first securing anchor tenants. Average rental rates are expected to remain at about \$12 per square foot, as rates have remained relatively constant for the previous three quarters.

Sufficient vacant space and land for a new contiguous State Office Building is limited, especially in the CBD. Currently, the study area only has one existing office building for sale (509 Marshall Street) that could possibly accommodate the State's space requirements. However, this facility is a Class C building and may not meet customer agency needs without significant renovation. What's

more, while there is considerable direct vacancy in the Shreveport market, there are limited large contiguous blocks of space available to house multiple agencies, with only one building possessing more than 20,000 RSF of contiguous vacant space (as of Spring 2012). Unless an entire building is vacated, it is unlikely that an existing building in the Shreveport area could accommodate the needs of all State of Louisiana customer agencies (for whom consolidation is a feasible option) in one contiguous space. However, build-to-suit opportunities may be feasible, especially in areas south of the CBD, as multiple large land parcels and sufficient parking facilities are present.

X. Appendix B: Customer Agency Profiles

This section contains profiles of each of the customer agencies evaluated as part of the Study. Each profile contains a synopsis of the agency mission, a “snapshot” of the agency’s occupancy profile, an overview of existing space and key planning considerations, and space planning estimates for use in scenario analysis.

Administration**Office of State Buildings**

Provides landlord services including: general upkeep, on-site management, maintenance, janitorial functions, shipping / receiving, and utility management

Occupancy Snapshot

Current space is overcrowded and inadequate. Additional space required to accommodate supervisor and engineers. Due to the nature of the services provided, space must be accessible to tenants and located near building security

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 1 st floor/Basement*	935	4	0	10**	234	N/A	N/A	N/A
Planning Estimates	917	4	0	10**	229	TBD	TBD	11

* Does not include 6,708 USF of mechanical/janitorial space in basement

** Contractors consist of janitorial staff that do not require office space

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> ▪ Ideal location that allows for easy tenant access; good building maintenance services ▪ First floor space is overcrowded/overutilized ▪ Basement space contains janitorial space, mechanical shop and utility rooms
Types of Space Required	<ul style="list-style-type: none"> ▪ Administrative space for supervisor and engineers ▪ Building Information Systems space for fire alarm, elevator system, etc ▪ Janitorial space, mechanical shop and utility room space ▪ Space needs to be centrally located in the state owned building to provide easy access to tenants and security. This is true for the existing building and any newly constructed State building ▪ Approximately 11 parking spaces
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> ▪ No preferences or inhibiting factors contribute to co-location potential
Technology and Security Requirements	<ul style="list-style-type: none"> ▪ Technology requirements need to support fire alarm system, elevator systems, utilities management, etc. ▪ Not unique security requirements
Access Requirements	<ul style="list-style-type: none"> ▪ 24/7 access required for maintenance services and janitorial services
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ▪ No alternative workplace arrangements are feasible due to nature of work
Other Considerations	<ul style="list-style-type: none"> ▪ Prefer to be located near building security department for the purpose of coordinating services

Attorney General*Risk Litigation Division*

Defends the State of Louisiana and the interests of its citizens in tort lawsuits filed against the State and its various departments, institutions, agencies and employees; covers 11 northwest Louisiana parishes.

Occupancy Snapshot

Current space is fully utilized. The space is strategically located near agency specific court venues, has unique security and technology requirements, and is currently consolidated in a single location.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
330 Marshall Street	4,397	15	0	0	293	TBD	TBD	18
Planning Estimates	3,383	15	0	0	226	TBD	TBD	18

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> ▪ Ideal location; strategically located within a two block radius of the State District Court, Second Circuit Court of Appeal, and the US District Court – Western District of Louisiana ▪ Agency has free access to several large conference rooms belonging to the office building lessor; can be up to an additional 1500 feet on an as needed basis ▪ Space is sufficient for the Attorney General and his support staff when present
Types of Space Required	<ul style="list-style-type: none"> ▪ Primarily administrative space ▪ Conference rooms, interview rooms, law library ▪ Approximately 18 parking spaces, including space for one state vehicle
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> ▪ Security issues may arise if co-located with another state agency ▪ Professional and ethical legal representation of the State's interests require a measure of independence separate from another state agency
Technology and Security Requirements	<ul style="list-style-type: none"> ▪ Secured telephone and computer installation with direct fiber optics connection to the main office in the Livingston Building, Baton Rouge. ▪ Secured entry system is required to access the space
Access Requirements	<ul style="list-style-type: none"> ▪ 24/7 access to the space is required
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ▪ Agency does not have telework or organization realignment initiatives due to the nature of the work
Other Considerations	<ul style="list-style-type: none"> ▪ Location must have sufficient parking and be accessible to public transportation ▪ All telephone, alarm and computer operations would require special consideration if agency is relocated

Dept. of Children and Family Services Child Support Enforcement (CSE)

Responsible for paternity establishment and enforcement of child/medical support orders in six parishes (Bienville, Bossier, Caddo, Claiborne, Jackson, and Webster)

Occupancy Snapshot

CSE occupies three floors in the State Office Building; space is fully-utilized and additional space is needed to satisfy projected workload. Consolidated location (one floor) with increased conference and interview room space is needed.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 1 st floor	3,398	29	7	0	117	N/A	N/A	N/A
SOB, 2 nd floor	837	9	1	0	93	N/A	N/A	N/A
SOB, 9 th floor	1,245	8	3	0	156	N/A	N/A	N/A
Total Existing	5,480	46*	11	0	119	N/A	N/A	N/A
Planning Estimates	7,714	46	11	0	167	TBD	TBD	68

*Currently CSE has four (4) vacant FTE positions; awaiting approval to fill the positions

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Space is currently operating at full-utilization Space is accessible to customers via public transportation Floor plan: Divided among three floors is inefficient
Types of Space Required	<ul style="list-style-type: none"> Administrative and customer service (waiting room) space Clerical, attorney, and staff office space Computer lab, conference rooms, training rooms, and interview rooms Private space to store records/files Approximately 65 – 70 parking spaces for staff, clients, and state vehicles
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> No benefits from co-locating with another state agency; all records need to be kept in a confidential area away from the public
Technology and Security Requirements	<ul style="list-style-type: none"> CSE maintains private security; the receptionist area and interview rooms must be equipped with panic buttons No unique technology requirements
Access Requirements	<ul style="list-style-type: none"> CSE's office is open Monday – Friday 8:00AM – 4:30PM; employees may work after hours a few times each year
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> Currently Child Support Enforcement has 11 employees that telework CSE needs six more Social Services Analysts to satisfy the state's caseload standard
Other Considerations	<ul style="list-style-type: none"> Access to public transportation is necessary Single location (on one floor) is desirable to ensure consistency among employees and clients

Dept. of Children and Family Services Child Welfare, Caddo Parish

Responsible for keeping children safe and helping individuals and families become self-sufficient. Oversees other agencies including Child Protection Investigation, Foster Care, Adoptions, and Family Services.

Occupancy Snapshot

Current space is fully utilized and inadequate to accommodate the additional 21 employees from Bossier Parish Child Welfare. Additional conference, interview, training and filing room space is required. A single, consolidated location that offers increased space is needed.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 4 th floor	13,927	74	0	0	188	N/A	N/A	N/A
Planning Estimates	14,859	74	0	0	201	TBD	TBD	85

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Space is accessible via public transportation Space is fully utilized; inadequate training, interview, conference, and secured filing room space
Types of Space Required	<ul style="list-style-type: none"> Administrative and customer service (waiting room) space Visitation, conference, interview, and computer training rooms Approximately 80-85 parking spaces for staff, clients, and state vehicles
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> Shared office space in a centralized building afford the clients accessibility to all programs; especially those without private transportation Without security at the main entrance, clients could be in contact with other clients or support enforcement Possible co-location conflicts with Child Support Enforcement and Probation and Parole
Technology and Security Requirements	<ul style="list-style-type: none"> A computer-based training room is required Panic button/alarm system is needed for emergency situations
Access Requirements	<ul style="list-style-type: none"> Office does not work an after-hours shift but there are occasions when an employee may need to access the office for a night call
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> A hoteling program for teleworkers may be implemented in the future Plans to share space with Bossier Parish Child Welfare by the end of FY 2012 to accommodate 21 new employees
Other Considerations	<ul style="list-style-type: none"> Access to public transportation is necessary Single, consolidated location is preferred

Dept. of Children and Family Services Child Welfare, Regional Office

Responsible for keeping children safe and helping individuals and families become self-sufficient. Conduct frequent case reviews, family visits, family team conferences, and trainings.

Occupancy Snapshot

Current space spans three different floors and is inadequate to accommodate employee and client needs. Building lacks sufficient electrical and telephone wiring systems. A single, consolidated location (one floor) that offers increased space and sufficient privacy is needed.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 7 th floor	1,404	10	0	0	140	N/A	N/A	N/A
SOB, 8 th floor	4,995	21	0	0	238	N/A	N/A	N/A
SOB 9 th floor	4,034	26	3	0	155	N/A	N/A	N/A
Total Existing	10,433	57	3	0	183	N/A	N/A	N/A
Planning Estimates	10,782	57	3	0	189	TBD	TBD	85

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Space is accessible via public transportation Space is fully utilized; inadequate training, interview, conference, and secured filing room space
Types of Space Required	<ul style="list-style-type: none"> Administrative and customer service (waiting room) space Visitation, conference, interview, and computer training rooms (need to be secured) Approximately 80-85 parking spaces for staff, clients, and state vehicles
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> Shared office space in a centralized building afford the clients accessibility to all programs; especially those without private transportation Without security at the main entrance, clients could be in contact with other clients or support enforcement Possible co-location conflicts with Child Support Enforcement and Probation and Parole
Technology and Security Requirements	<ul style="list-style-type: none"> A computer-based training room is required Space must be secured during and after regular work hours
Access Requirements	<ul style="list-style-type: none"> Employees need access to the space after regular work hours
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> Three (3) employees are currently in a teleworking program Plans to expand teleworking program, to accommodate 50 projected new employees
Other Considerations	<ul style="list-style-type: none"> Access to public transportation is necessary A single, consolidated location (one floor) is preferred

Dept. of Children and Family Services Disability Determinations Services, Shreveport Office

Provides decisions on disability claims for the Social Security Administration (SSA). Serves northwest and western regions of Louisiana down to Lake Charles.

Occupancy Snapshot

Current space amount is appropriate however there is a need to renovate and reconfigure space for greater efficiency. Need for additional offices for staff privacy when reviewing applications. Space is paid for through SSA budgets and not the State.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
2920 Knight Street	28,151	99*	0	16	245	\$13.50	\$380,040	151
Planning Estimates	26,057	123**	0	16	187	TBD	TBD	160

*Includes 19 part-time employees

**Includes projected 29 additional hires and 22 part time employees (20 hours per week)

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Location; not visible to the public but it is on public transit line which is an attribute Space is imperfectly utilized; need to renovate and reconfigure existing space; lack of confidentiality due to poor floor plan layout; insufficient training area; break room is too small
Types of Space Required	<ul style="list-style-type: none"> Administrative with limited public interaction space Special courtroom (hearing room) with adjoining waiting / reception area (310 SF) Specialized computer room 500 SF and Conference room with Interactive Video Tele-training (IVT) (600 SF) Approximately 160 parking spaces
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> No potential benefits from co-locating with another state agency Potential conflicts include reduced security and increased foot traffic issues
Technology and Security Requirements	<ul style="list-style-type: none"> Space requires physical identification equipment (keypads, fingerprint recognition systems) to ensure the privacy of the space Security needs driven by federal space requirement and law to protect personal identification
Access Requirements	<ul style="list-style-type: none"> 24/7/365 access required for emergency operations (hurricanes) and increased staff workload
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> No alternative workplace arrangements are feasible due to nature of work Plan to upgrade to new computer system which requires new wiring
Other Considerations	<ul style="list-style-type: none"> Access to public transportation is preferred Desire to increase the number of employees to accommodate increased workload. Office has space to accommodate 29 new FTE DDS office does not share computer networking with any other state agency Relocation requires special consideration for privacy of the files and special equipment

Dept. of Children and Family Services *Economic Stability*

Provides monthly assistance to low income housing through the SNAP program, Family Independence Temporary Assistance Program (FITAP), and Kinship Care Subsidy Program.

Occupancy Snapshot

Occupies four spaces in the State Office Building. Space is over-utilized and will be required to turn over approximately 4,235 SF to Child Support. Space is overcrowded which constrains privacy. Agency supports co-location to accommodate clients.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 1 st Floor	5,294*	8	3	0	662	N/A	N/A	N/A
SOB, 2 nd Floor	13,393	51	5	0	263	N/A	N/A	N/A
SOB, 3 rd Floor	9,536	44	0	1	217	N/A	N/A	N/A
SOB, Basement	896	0	0	0	0	N/A	N/A	N/A
Total Existing	29,119	103	8	1	280	N/A	N/A	N/A
Planning Estimates	25,383	103	8	1	246	TBD	TBD	153**

*Includes 3,176 USF attributable to customer service and waiting areas

**Estimates 50 parking spaces for clients, since the number varies on any given day.

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Location; Co-location with other state agencies helps the client gain access to other services and allows ES to share information with other DCFS agencies Floor plan: Divided among three floors is inefficient Space is imperfect- and over-utilized; space is overcrowded and there is little privacy to conduct phone interviews; gaining 71 FTE through consolidation with other agencies
Types of Space Required	<ul style="list-style-type: none"> Administrative space; Waiting room for public assistance and administration Loading dock with freight elevator Computer lab for training Approximately 153 parking spaces for employees and clients
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> Benefits include information sharing with other agencies; as well as WEP opportunities for the FITAP program Improved customer service for clients; one-stop-shop with other agencies Child Support Enforcement and Probation and Parole could conflict with ES
Technology and Security Requirements	<ul style="list-style-type: none"> Security guard and secure area to store files to maintain confidentiality
Access Requirements	<ul style="list-style-type: none"> Must be accessible to public transportation for benefit of clients
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> Anticipated increase in teleworkers Additional DCFS personnel relocating to SOB (Child Welfare)
Other Considerations	<ul style="list-style-type: none"> Co-location could bring clients together with what ES is trying to avoid (parolees, abusive parents, etc.)

Dept. of Children and Family Services Regional Office

Office of the Regional Administrator;
Encompasses 3 programs; Shreveport DCFS
Child Welfare, DCFS Child Support and DCFS
Economic Stability Offices.

Occupancy Snapshot

Office in the State Office Building is underutilized and more than enough space to house the 14 staff members. Space is administrative and there are no special space needs.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 3 rd floor	4,512	13	1	0	322	N/A	N/A	N/A
Planning Estimates	3,192	13	1	0	228	TBD	TBD	36

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Location; State Office Building is appropriate for agency Space is fully occupied; however space is larger than needed to accommodate 13 FTE and one teleworker
Types of Space Required	<ul style="list-style-type: none"> Administrative with limited public interaction space Boardroom required for regional meetings Loading dock with freight elevator Parking: 36 spaces: 14 for staff, 6 for non-TO staff, five clients and one state vehicle
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> No potential benefits or conflicts from co-locating with another state agency
Technology and Security Requirements	<ul style="list-style-type: none"> No special technology requirements Security requirements include a panic button and a secured parking space for a state vehicle
Access Requirements	<ul style="list-style-type: none"> 24/7/365 access required for emergency operations
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> Possible inclusion of 3 Program Coordinators (Quality Control, FS/CCAP, FS/FITAP) and 3 Fraud Detectives (One Supervisor and 2 Detectives). This staff will need office space if they are still housed with the regional office.
Other Considerations	<ul style="list-style-type: none"> Access to public transportation is preferred Require loading dock with freight elevator access

Dept. of Environmental Quality (DEQ)

Responds to environmental concerns from the public, conducts environmental monitoring, and responds to environmental events/disasters in the northwest area of the state.

Occupancy Snapshot

Current space is fully utilized on floors five and six of SOB, but imperfectly utilized in the basement. Preference to be consolidated into one contiguous space and must be located near the DEQ boat shed. Wet lab space is required.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 5 th , 6 th Floor, Basement	7,544	24	0	2	314	N/A	N/A	N/A
NWRO Warehouse	800	N/A	0	0	N/A	N/A	N/A	N/A
Total Existing	8,344	24	0	2	N/A	N/A	N/A	N/A
Planning Estimates	6,706	24	0	2	227*	N/A	N/A	46

* Calculated from 5,906 USF/ 26 FTE, excluding 800 USF for a warehouse/boat shed

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Fifth and sixth floor space is fully utilized In basement space, office and storage spaces are underutilized, because portions of the space are susceptible to flooding Sewage overflow prevent full-utilization of space Space contains wet labs for analyzing samples DEQ warehouse is located on state property and houses 3 boats and other equipment
Types of Space Required	<ul style="list-style-type: none"> Administrative space and public interaction/customer service space Lab space (approx. 20' x 20') including lab sink, vent, freezer, refrigerator and sample storage DEQ would benefit from contiguous space as opposed to the currently fragmented configuration Agency requires a boat shed/warehouse (approx. 20' x 40') Conference room space with the capacity to hold 26-50 people Approximately 46 parking spaces for employee, client, state vehicles
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> No preference or inhibiting factors contribute to co-location potential
Technology and Security Requirements	<ul style="list-style-type: none"> Secure parking and secure lab space with access controlled lock Security for state owned vehicles Videoconferencing ability is required along with all necessary equipment
Access Requirements	<ul style="list-style-type: none"> 24/7 access required to perform all agency duties
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> Limited alternative workplace arrangements are feasible due to nature of work; however, one employee teleworks, but still maintains her own work station in SOB
Other Considerations	<ul style="list-style-type: none"> Location must be proximate to boat shed

Dept. of Health & Hospitals**ADA Compliance**

Ensures DHH buildings and facilities are in compliance with Americans with Disabilities Act (ADA) requirements.

Occupancy Snapshot

Current space is leased and fully utilized. Sole agency employee works outside the office three days a week and may be a candidate for telework. Currently space is shared with Region 7 Administrative Counsel including shared amenities such as copy room and file storage.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
3020 Knight Street, Suite 290	N/A*	1	0	0	N/A	N/A	N/A	N/A
Planning Estimates	125*	1	0	0	125	TBD	TBD	1

* See DHH Regional 7 Administrative Counsel

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Space is fully utilized Space is shared with DHH – Region 7 Administrative Counsel and includes copy room and file room
Types of Space Required	<ul style="list-style-type: none"> Administrative space and file storage area Approximately one parking space for employees
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> No preferences or inhibiting factors contribute to co-location potential; single FTE may be a candidate for telework
Technology and Security Requirements	<ul style="list-style-type: none"> No unique security requirements No unique technology requirements
Access Requirements	<ul style="list-style-type: none"> 24/7 access is occasionally needed for afterhours work
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ADA Compliance single employee is eligible for telework due limited office based work (approx. 2 days per week) and limited space need
Other Considerations	<ul style="list-style-type: none"> None noted

Dept. of Health and Hospitals**Bureau of Health Services Financing,
Medical Vendor Administration (MVA),
Region 7**

The Eligibility Field Operations office for the Louisiana Medicaid Program. An administrative office to review electronic Medicaid applications.

Occupancy Snapshot

Administrative space is underutilized due to empty desks previously occupied by eight teleworkers. The office accommodates 25-30 walk-in applicants per day and there are an insufficient number of interview rooms.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
3020 Knight Street	13,815*	52	8	2	223	\$10.52	\$12,108	146
Planning Estimates	11,670	52	8	2	181	TBD	TBD	70

*MVA occupies 13,815 SF of a 19,951 SF with other DHH agencies occupying the remainder of the space.

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Administrative space but accommodates 25-30 walk in applicants Space is under-utilized; Eight unused workstations as a result of teleworkers Conference room/training room to accommodate 50-60 people Insufficient number of private interview rooms
Types of Space Required	<ul style="list-style-type: none"> Administrative and customer services (waiting room) space Conference room and training rooms Interview rooms for Medicaid eligibility interviews Approximately 70 parking spaces need for employees and clients
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> Co-location may improve efficiency and reduce costs through shared IT systems MVA and DCFS are co-located at other location in the state providing customers with one place to serve their needs; separation, including entrances would be required
Technology and Security Requirements	<ul style="list-style-type: none"> Requires locked passageways between waiting areas and staff offices
Access Requirements	<ul style="list-style-type: none"> 24/7 access not required. However, weekend access may be needed by staff depending on workload Bus line and interstate accessibility are required for customer access
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> Office uses teleworking for eight employees. These employees may need "hotel" work space
Other Considerations	<ul style="list-style-type: none"> If co-located with another agency, MVA would require separate waiting rooms and entrances to ensure customer comfort and privacy

Dept. of Health and Hospitals (DHH)**Office of Behavioral Health (OBH), Adult Services and Children Services & Early Childhood Support Services**

Serves the nine parishes in Northwest Louisiana. OBH provides treatment to adults, youth and children with serious mental illnesses or emotional disturbances, and youth and adults with addictive disorders.

Occupancy Snapshot

Current space is adequate, but there would be benefits to consolidation of all OBH clinic functions in a single location in the Shreveport area.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
2924 Knight Street	3,848	7	0	3*	385	TBD	TBD	NA
1310 Hearne Avenue	14,400	58	0	2	240	NA	NA	NA
Total	18,248	65	0	5	261	NA	NA	NA
Planning Estimates	15,310	67**	0	5	213	TBD	TBD	97

*Assumes that 6 part-time employees equate to 3 full-time

**Two OBH Audit personnel work in separate office space

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Space is located along major bus line which is important for client access Knight Street was customized for OBH and meets all their needs, except for the lack of an in-suite bathroom in its second floor location; space is fully utilized but one wing of building will be under-utilized following closure of early childhood support services program in January 2012 Hearne Ave floor plan is a constraint and the space is fully utilized
Types of Space Required	<ul style="list-style-type: none"> Behavioral Health Clinic Administrative space (offices, therapy rooms, group therapy space, etc.) Waiting rooms and reception areas, kitchen, storage and file rooms Pharmacy (Hearne Ave) Approximately 97 parking spaces for employee, client, and state vehicles
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> No co-location requirements or conflicts provided client confidentiality and safety can be assured
Technology and Security Requirements	<ul style="list-style-type: none"> Video conferencing equipment Off-duty police officer is stationed on-site at Hearne Ave In-suite security required; keypad restricted access after-hours
Access Requirements	<ul style="list-style-type: none"> Standard business hours only
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> Closure of early childhood support services program at Knight Street location in January 2012
Other Considerations	<ul style="list-style-type: none"> Accessibility to public transportation is critical to enable client access

Dept. of Health & Hospitals

Office of Public Health (OPH), Caddo Parish Health Unit

Provides full preventative and environmental health services for residents of Caddo Parish, including: immunizations, supplemental food and nutrition.

Occupancy Snapshot

Current space is fully utilized. The agency is consolidated in a Caddo Parish owned 3-story building for indefinite use. By State regulation, Caddo Parish must provide this space at no cost to DHH or the State.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
1035 Creswell Avenue	31,203	35*	0	0	892	N/A	N/A	~100
Planning Estimates	31,203	35*	0	0	892	TBD	TBD	~100

*Including 2 audit positions from the DHH Office of Behavioral Health due to lack of space in home office

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> ▪ Ideal location; facility is in good condition ▪ Space is fully utilized and the agency maintains use of the entire 3-story building
Types of Space Required	<ul style="list-style-type: none"> ▪ Administrative and customer services (public interaction), record storage, clinical / laboratory space ▪ Videoconferencing room with special equipment ▪ Secure room for storage of patient records (e.g., tuberculosis, sexually-transmitted diseases, etc.) ▪ Patient rooms for the provision of healthcare services similar to those found in typical outpatient clinical space ▪ Approximately 91 – 101 parking spaces, including space for six state vehicles
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> ▪ No preference or inhibiting factors contribute to co-location potential
Technology and Security Requirements	<ul style="list-style-type: none"> ▪ Additional in-suite security staff is needed to ensure safety of records, clinic, supplies and equipment ▪ Secure space for the storage and retention of patient records ▪ Videoconferencing ability is required along with all necessary equipment
Access Requirements	<ul style="list-style-type: none"> ▪ 24/7 access is required during periods of public health emergencies or disasters
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ▪ No alternative workplace arrangements are feasible due to nature of work
Other Considerations	<ul style="list-style-type: none"> ▪ Access to public transportation and major roadways is necessary for customer access ▪ If relocation were to occur, vaccines need to be kept safe and temperature controlled during storage

Dept. of Health & Hospitals

Office of Public Health (OPH), Region 7 Office
Provides general administrative support for all Office of Public Health (OPH) units in the nine-parish Caddo/Bossier region.

Occupancy Snapshot

Current space occupies portions of the 1st and 5th floors of the State Office Building. The space is fully utilized, but is old and the temperature cannot be controlled. Additional meeting space and parking are required.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 1 st floor	6,235	17*	0	0	366	N/A	N/A	N/A
SOB, 5 th floor	149	0	0	0	N/A	N/A	N/A	N/A
Total Existing	6,384	17	0	0	376	N/A	N/A	N/A
Planning Estimates	4,369	17	0	0	257	TBD	TBD	38

*Approximately 10 of the 17 employees work outside the existing office space more than 50% of workweek

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Suitable location that provides easy access to other state agencies Office is ideally configured for individual space Space is fully utilized; requires additional parking and meeting space
Types of Space Required	<ul style="list-style-type: none"> Administrative, public interaction and small lab space Vaccine storage for distribution to health providers (locked, alarmed, temperature controlled) Requires videoconferencing with appropriate technology Approximately 20 – 25 parking spaces are needed depending on customer volume
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> No preference or inhibiting factors contribute to co-location potential
Technology and Security Requirements	<ul style="list-style-type: none"> Videoconferencing ability is require along with all necessary equipment No unique security requirements
Access Requirements	<ul style="list-style-type: none"> 24/7 access is required during periods of public health emergencies or disasters
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> No alternative workplace arrangements have been considered Recent layoffs have resulted in 8 excess workstations
Other Considerations	<ul style="list-style-type: none"> Access to public transportation and major roadways is necessary Possible storage of trailer filled with supplies/equipment for emergencies If relocation were to occur, vaccines need to be kept safe and temperature controlled during storage

Dept. of Health and Hospitals (DHH)**Office of Public Health, State Laboratory**

Operates Safe Drinking Water Program and conducts milk, dairy and rabies testing. Houses State Tuberculosis Laboratory and only CDC-certified Laboratory Response Network (LRN) Bioterrorism Lab for the State.

Occupancy Snapshot

Current space is adequate. Specialty laboratory space required to meet mission needs. Single, consolidated location will result in cost benefits, but also some degree of risk in event of loss of that facility.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
533 Vine Street	8,999	12	0	0	750	TBD	TBD	TBD
Planning Estimates	8,550	12	0	0	713	TBD	TBD	17

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Space is designed to function as a public health laboratory Over-utilization of Biological Safety Level (BSL) – 3 suite is temporary and will change once new Central Laboratory building in Baton Rouge is complete (estim. March 2013) Under-utilization of BSL-2 areas for rabies and milk/dairy testing; full-utilization of BSL-2 areas for drinking water and tuberculosis testing
Types of Space Required	<ul style="list-style-type: none"> Laboratory, including BSL-2 space, a BSL-3 containment lab suite for handling bio-threat agents, and a rabies necropsy room (Note: all laboratory spaces have special air handling, electrical and plumbing requirements, including redundant HVAC and back-up generators in certain areas) Administrative and storage space
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> Co-location with other state or non-state agencies will result in those agencies having to comply with the safety and security protocols required for State Laboratory There is also risk of exposure to harmful materials in co-location scenario
Technology and Security Requirements	<ul style="list-style-type: none"> Video monitoring and intrusion alert capabilities, entry and exit records for all people coming in and out of laboratory
Access Requirements	<ul style="list-style-type: none"> 24/7/365 access required Law enforcement personnel would prefer to have the LRN located within a one-hour drive (or less than 100 miles) from any location in the State to ensure prompt delivery of forensic specimens for testing
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> Future of State Laboratory space currently under evaluation
Other Considerations	<ul style="list-style-type: none"> State Laboratory works with extremely dangerous microorganism, toxins, chemicals and radioactive materials, which result in very specific facility requirements Risk of consolidating State Laboratory in one facility is vulnerability associated with potential loss of that single facility. Consequently, some redundancies and surge capacity will be required if consolidation occurs.

Dept. of Health & Hospitals Region 7 Administrative Counsel

Serves as State attorney for Department of Health and Hospitals program offices. Provides legal representation client legal matters (compliance and code enforcement, etc.) within a nine-parish service area.

Occupancy Snapshot

Current space is leased and fully utilized, but imperfectly configured. Filing cabinets and storage room are inconveniently located away from the main office. An employee from ADA occupies part of the space under the master occupancy agreement, but may be eligible for telework. Agency recently downsized to one FTE from four.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
3020 Knight Street, Suite 290	2,965	2*	0	1	1,483	TBD	TBD	TBD
Planning Estimates	570	1	0	1	570	TBD	46	3

*To be collocated with one employee from ADA compliance

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Space is fully utilized Employee from ADA Compliance occupies space under Region 7 Administrative Counsel Office's master occupancy agreement Space previously included classroom for trainings and media events as well as a conference room for small meetings (approx. 10 people) Favorable location away from public, providing privacy when meeting with clients Space is imperfectly planned; file cabinets located across hall, away from main office
Types of Space Required	<ul style="list-style-type: none"> Administration, public interaction and waiting room space Record storage and retention (approx. 23 file cabinets) Approximately 3 parking spaces
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> No specific co-location conflicts, but office would have to be in a separate suite if consolidated with other DHH agencies
Technology and Security Requirements	<ul style="list-style-type: none"> No unique security requirements; typical security measures needed such as office keypad, locks for file storage, etc. No unique technology requirements
Access Requirements	<ul style="list-style-type: none"> 24/7 access is occasionally needed for afterhours work
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> No alternative workplace arrangements (teleworking, hoteling, etc.) for Regional Attorney are feasible due to customer service nature of work ADA Compliance employee spends more than 50 percent of the week outside of the office and may be eligible for telework
Other Considerations	<ul style="list-style-type: none"> Office previously included funding for paralegal, staff assistant and intern, however due to budget cutbacks the agency functions have been consolidated to one role

Dept. of Health & Hospitals*Region 7 Health Standards*

Regulatory agency responsible for conducting on-site licensing, certification, and inspection services at healthcare facilities in the Shreveport/Bossier City area.

Occupancy Snapshot

Current space is fully utilized. The agency is co-located in the same building as the Medical Vendor Administration (MVA) and the Region 7 Legal office. The agency must have access to the MVA server.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
3020 Knight Street	3,171	20	0	0	159	TBD	TBD	23
Planning Estimates	3,583	20*	0	0	179	TBD	TBD	23

*Includes 17 FTE entitled to 120 USF/FTE but could likely benefit from more efficient space

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> ▪ Ideal location; separated from public access and accessible to major roadways ▪ Space is fully utilized and the agency shares space in the same building with the DHH MVA and the Region 7 Legal Office
Types of Space Required	<ul style="list-style-type: none"> ▪ Primarily administrative space; little public interaction ▪ Supply/storage room, meeting room, and break room ▪ Approximately 23 parking spaces, including space for three state vehicles
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> ▪ Agency cannot be co-located in the same suite as MVA, but must be in the same building
Technology and Security Requirements	<ul style="list-style-type: none"> ▪ Secured entry system is required to access the building and the suite ▪ Must have access to the MVA server
Access Requirements	<ul style="list-style-type: none"> ▪ Office is staffed between 8:00AM – 4:30PM Monday through Friday; however, 24 hour access is needed to complete certain missions and in case of an emergency
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ▪ Telework is not a favorable alternative as employees must be at the healthcare facilities to conduct their inspections, and must have access to the computer server at the office to complete their post-inspection reports ▪ At the DHH Administrative level, the Secretary is planning an initiative to combine Region 7 Health Standards with Region 7 Legal, although the effects of the possible realignment are currently unknown.
Other Considerations	<ul style="list-style-type: none"> ▪ Location must be centrally located in the Shreveport/Bossier City area and accessible to major roadways

Dept. of Natural Resources Conservation

Serves the public and clients with regard to the oil and natural gas industry in the 13 northwest parishes of Louisiana and provides support regarding various rules and regulations.

Occupancy Snapshot

Current space is overcrowded and inadequate. Additional space required to satisfy agency's office, filing, and record storage needs. Single, consolidated location that offers increased space is needed.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 6 th floor	3,322	10*	0	0	332	N/A	N/A	N/A
Planning Estimates	2,035	10	0	0	204	TBD	TBD	27

*Includes nine (9) current FTE, and one (1) vacant FTE to be hired

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Some of the existing offices are of sufficient size and the property has accessible parking, however most of the office space is insufficient Space is overcrowded/over-utilized; inadequate office, filing, and record storage space; telephone and electrical wiring limitations Staff offices and the records room must be accessible and convenient to the public and clients; public records room must be located in close proximity to the staff offices
Types of Space Required	<ul style="list-style-type: none"> Administrative and customer service (waiting room) space Copy room, record storage and filing rooms Work area for the public and clientele Approximately 25 – 30 parking spaces for staff, clients, and state vehicles
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> No likely conflicts from co-locating with another state agency; however, the agency has unique clientele (oil & gas operator, industry professionals, landowners) who utilize and visit the space
Technology and Security Requirements	<ul style="list-style-type: none"> Availability of high-speed telephone line is the only technological requirement; no unique technology requirements
Access Requirements	<ul style="list-style-type: none"> Office does not work an after-hours shift but access to the office by supervisors is needed 24/7
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> No alternative workplace arrangements are feasible due to the need to be in close proximity to the records and files Immediate need for record storage is forecasted to increase by at least 50 percent Drilling for natural gas may increase in the Haynesville Shale in the near future, creating an increase in workload
Other Considerations	<ul style="list-style-type: none"> Access to public transportation is not necessary Single, consolidated location is preferred

Dept. of Public Safety & Corrections Adult Probation and Parole (P&P)

Responsible for public safety and law enforcement in Caddo and Bossier Parish. Use space to consult with clients (convicted felons) and house the regional office.

Occupancy Snapshot

Current space is leased, overcrowded, requires upgrades, and lacks proper storage capacity. Space is primarily administrative with need for public interaction. It is centrally located to clientele.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
2525 Youree Drive	18,005	61*	0	0	301	\$14.77	\$22,158	112
Planning Estimates	14,990**	61*	0	0	244	TBD	TBD	153

*Includes 1 part-time worker

**RL-2(B) is in progress for a new space request for 14,500. The team has not received this document.

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> ▪ Ideal location that allows for easy client access ▪ Space is over utilized; insufficient space for filing and storage purposes ▪ Space is old and requires upgrades
Types of Space Required	<ul style="list-style-type: none"> ▪ Law enforcement needs: Weapons storage room, fingerprinting room, secured evidence room, clothes for indigent room ▪ Defense tactic training room (approximately 1,000 SF) ▪ Common area needs: File room, waiting room, printing / fax room, supply room, computer room, conference room ▪ Approximately 153 parking spaces (42 state vehicles)
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> ▪ No benefits from consolidation with other agencies. Interaction between the public, other agencies and P&P clientele can create conflicts ▪ Cannot co-locate with Juvenile Justices; offices were co-located in the past and conflicts occurred between clientele of both agencies
Technology and Security Requirements	<ul style="list-style-type: none"> ▪ Secured space required for weapons storages, finger printing, and evidence rooms ▪ Secured area for state vehicles (42) ▪ Video conference capabilities
Access Requirements	<ul style="list-style-type: none"> ▪ Regular business hours are Monday through Friday. However, 24/7 access is needed
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ▪ None
Other Considerations	<ul style="list-style-type: none"> ▪ Location cannot be near schools ▪ In the event of relocation, P&P would transport weapons, ammunition, and confiscated property to ensure security

Dept. of Public Safety & Corrections**Office of Motor Vehicle (OMV), Driver's License Office**

Provides examination and licensing for operators of motor vehicles, issues identification cards and handicap placards, processes vehicle title applications, records liens against vehicles, collects sale/use taxes, organ donor information and voter registration

Occupancy Snapshot

Current space is adequate and allows the capital police to perform all necessary duties. Current space consists of private offices, metal detectors and supports tables, along with CCTV for monitoring. Space needs have not changed from the previous year or for the foreseeable future.

Space Planning

Location	USF	FTE	Tele-workers	Contractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 1 st floor	565	1.25*	0	3	452	N/A	N/A	6
Planning Estimates	541	1.25	0	3	433	TBD	TBD	6

* Two officers split 50 hours each week

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> ▪ Ideal location and appropriate space near public entrances ▪ Space is fully utilized; adequate parking; security measures to protect confidential documents
Types of Space Required	<ul style="list-style-type: none"> ▪ Administrative and customer services (waiting room) space needed ▪ Space must be located near public entrances to control and monitor access ▪ Secure storage room needed to protect confidential records, reports and other sensitive documents ▪ Monitoring room for surveillance and CCTV equipment ▪ Approximately 6 parking spaces
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> ▪ No preference or inhibiting factors contribute to co-location potential, however agency must maintain separate and secure space from other agencies
Technology and Security Requirements	<ul style="list-style-type: none"> ▪ Space must be secured due to the storage of reports that fall under the "Right to Privacy Act" ▪ In the event of an arrest, individuals are immediately taken off of the property and to central booking. Therefore detention space is not required ▪ CCTV technology and equipment is required to ensure safety and monitor the building
Access Requirements	<ul style="list-style-type: none"> ▪ 24/7 access required for building security and for contracted security guards ▪ Accessibility to major roadways is needed for emergency vehicles
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ▪ No alternative workplace arrangements are feasible due to nature of work
Other Considerations	<ul style="list-style-type: none"> ▪ Access to public transportation is necessary ▪ Capital police request two additional officers to split 50 hours per week, however additional FTEs will not affect space needs

Dept. of Public Safety & Corrections Office of Juvenile Justice (OJJ)

Supervises juveniles on probation / parole or in the custody of the OJJ in six parishes: Caddo, Bossier, Bienville, Claiborne, Webster and Jackson.

Occupancy Snapshot

Current space is overcrowded and inadequate. Additional space and parking required to accommodate growth in OJJ staff. Single, consolidated location that offers increased space, privacy, security and parking is needed.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 10 th floor	5,023	41*	0	0	140	N/A	N/A	N/A
Planning Estimates	9,885	46	0	0	215	TBD	46	85

*Includes 6 part-time (32 hours per week) but excludes college interns who work in office

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> ▪ Ideal location that allows for easy client access; good building maintenance services ▪ Space is overcrowded/over utilized; inadequate parking; insufficient security measures; lack of confidentiality due to poor floor plan layout; insufficient training area; break room is too small
Types of Space Required	<ul style="list-style-type: none"> ▪ Administrative and customer services (waiting room) space ▪ Training space to allow for practicing defensive tactics and impact weapons (approx. 2,300 sf) ▪ Secure, armory room (with firewall separating it from remainder of area) needed to prevent theft of firearms, ammunition and other equipment ▪ Private restrooms to allow for client drug screening ▪ Secure space to allow for juvenile arrests (approx. 120 sf) ▪ Approximately 85 – 90 parking spaces
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> ▪ Preferable for OJJ not to be co-located with any other state or non-state agencies due to client confidentiality and potential safety concerns
Technology and Security Requirements	<ul style="list-style-type: none"> ▪ Additional security measures needed to ensure safety of public, clients, and equipment ▪ Armory, waiting room separated from office space with electronic door, lock, clear glass, and bullet-proof sliding glass window at reception desk ▪ Not unique technology requirements
Access Requirements	<ul style="list-style-type: none"> ▪ 24/7 access required to allow for after-hours curfew checks and in the event of escapes from OJJ custody, staffing a 24 hour command post
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ▪ No alternative workplace arrangements are feasible due to nature of work ▪ Area is being targeted for pilot program, which could increase staff by 3, number of state vehicles by 1-2, and number of client visits to office
Other Considerations	<ul style="list-style-type: none"> ▪ Access to public transportation is necessary ▪ Single location for OJJ is desirable to ensure privacy, confidentiality and safety of employees, clients, and general public

Dept. of Public Safety & Corrections

Office of State Police (OSP), Gaming Enforcement Division

Provides regulatory oversight of casino gaming establishments, slots at the track, and video poker establishments

Occupancy Snapshot

Current space is fully utilized and was recently renovated by the owner upon being awarded a five-year lease. The agency is consolidated into a single location that provides access to the regulated properties.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
3010 Knight Street Suite 270, 2 nd floor	5,391	26*	0	0	207	TBD	TBD	TBD
Planning Estimates	5,382	26	0	0	207	TBD	TBD	53

*Includes 3 IT personnel and 5 audit staff that work outside the existing office space more than 50% of the workweek

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> ▪ Ideal location that provides for easy access to Shreveport / Bossier City casinos, video poker establishments and racetracks ▪ Space is recently renovated with new HVAC duct work, demolition and rebuilding of walls, electrical systems, data wiring, new paint, carpet and trim finishes
Types of Space Required	<ul style="list-style-type: none"> ▪ Administrative and customer services (waiting room) space ▪ Interview space to conduct confidential interviews with industry employees (Interview room must be adjacent to a viewing room with a two-way mirror in the common wall) ▪ Audio/visual media room to review surveillance recordings in the course of conducting an inspection or investigation ▪ Approximately 53 parking spaces
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> ▪ Potential for GED to be co-located with other state and non-state agencies depends on the clientele served by other entities
Technology and Security Requirements	<ul style="list-style-type: none"> ▪ Additional security measures are needed to ensure the confidentiality of investigations performed and storage of financial records of the licensees being regulated ▪ Office space must be secured with limited access and alarmed; file room must be locked with no access from outside the office ▪ VHS and DVD viewing equipment is required to review surveillance recordings
Access Requirements	<ul style="list-style-type: none"> ▪ 24/7 access required to allow for interviews to take place during casino and video poker operating hours; Troopers are assigned to on-call hours and need to access the office in the event of a criminal or administrative violations
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ▪ No alternative workplace arrangements are feasible due to nature of work ▪ Commissioned personnel may assume responsibility for enforcement of horse-racing regulations, which may impact space requirements
Other Considerations	<ul style="list-style-type: none"> ▪ Access to I-20 is preferred ▪ Although the local casino market has experienced growth, no additional personnel are anticipated at the moment, but may be requested in the future

Dept. of Public Safety & Corrections**Office of State Police (OSP), Criminal Investigations Division, Insurance Fraud and Auto Theft**

Investigates referrals of suspected fraudulent insurance acts; assists federal and local law enforcement to investigate and promote awareness of fraudulent acts; Cooperates with local prosecutors with prosecution

Occupancy Snapshot

Current space is imperfectly utilized and inadequately configured. Currently an MOU with the Federal government prohibits the use of an entire suite that remains vacant. Additionally, co-location may be difficult given the agency's frequent interactions with people engaged in criminal activity.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
3010 Knight St., Suite 220	3,941	16*	0	0	246	TBD	TBD	45
Planning Estimates	3,754	16*	0	0	235	TBD	TBD	45

*Includes 7 commissioned troopers that spend more than 50% of the week outside of the office on federal task forces.

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> ▪ Ideal location that provides for easy client access and easy access to the field ▪ Imperfect-Utilization: currently, one full suite is not being used due to an MOU between narcotics and the federal government. Space could be utilized by personnel currently housed on the 2nd floor
Types of Space Required	<ul style="list-style-type: none"> ▪ Administrative office space for commissioned personnel and waiting area space ▪ Interview/interrogation area outfitted with hidden microphones and video cameras ▪ File/supply storage areas and conference room space ▪ Office must remain in the Shreveport-Bossier area as this is where the majority of criminal investigations originate ▪ Specialty space for polygraphist to conduct and record polygraphs in an optimal setting ▪ Approximately 45 parking spaces for employee and client vehicles
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> ▪ Potential co-location conflicts depend on whether the outside agency's primary function is law enforcement / public safety. The majority of the people with whom the office interacts (outside of law enforcement) are engaged in criminal activity. For public safety reasons, the office should only be accessed by law enforcement or support personnel
Technology and Security Requirements	<ul style="list-style-type: none"> ▪ All offices and files/confidential records and criminal evidence that is not in use, must be secured at all times due to the confidential nature of the investigations performed. Document access is typically restricted to state police personnel ▪ Digital viewing / recording devices that have both backward and forward compatibilities
Access Requirements	<ul style="list-style-type: none"> ▪ 24/7 access required to allow for after-hours work
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ▪ No alternative workplace arrangements are feasible due to nature of work
Other Considerations	<ul style="list-style-type: none"> ▪ Phone system and internet router are shared with the Gaming Enforcement Division in Suite 270 of the same building

Dept. of Public Safety & Corrections State Fire Marshal

Conducts inspections for building plans and serves as the radio base for all inspection personnel and arson field personnel in the nine parishes of northwest Louisiana.

Occupancy Snapshot

Current space is inappropriately allocated between office functions. The one story building is owned by the state and provides great parking in a good location. Additional space may be required in the future, but the building does not have the capacity to absorb growth.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
960 Jordan Street	2,140	16*	0	0	134	N/A	N/A	N/A
Planning Estimates	3,659	16	0	0	248	TBD	TBD	26

*Does not include 3 Fire Marshal Senior Deputies that work occasionally

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> ▪ Ideal location that allows for easy customer access; sufficient parking ▪ Space is overcrowded/inappropriately utilized; filing cabinets are sporadically stored around the office; insufficient office space has led employees to use the conference room for work space ▪ Consolidated office space allows employees to improve their work process and coordination
Types of Space Required	<ul style="list-style-type: none"> ▪ Administrative and customer service (waiting room) space ▪ Document storage for maintenance of records, archives and evidence ▪ Conference / Training Room to accommodate 25-40 people ▪ Interview rooms are needed for reviewing plans and inspection documents ▪ Approximately 26 parking spaces, including space for 12 state vehicles
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> ▪ No preferences or inhibiting factors contribute to co-location potential
Technology and Security Requirements	<ul style="list-style-type: none"> ▪ Additional security measures needed for locking offices with arson and licensing documents as well as records and inspection archives ▪ Entrance security required for female employees working alone in the office ▪ Videoconferencing ability is required along with all necessary equipment
Access Requirements	<ul style="list-style-type: none"> ▪ Personnel work from 7am-5:30pm during the week ▪ Fire Marshal's dispatch center program may require 24/7/365 operations at a later time
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ▪ No alternative workplace arrangements are feasible due to nature of work ▪ Addition of plan review and licensing personnel will require new office space ▪ Additional training/cross-training needs will affect conference room space requirements
Other Considerations	<ul style="list-style-type: none"> ▪ Access to major roadways is preferable for customer access

Dept. of State Civil Service**Division of Administrative Law,
Shreveport Office**

Serves as the centralized law tribunal and an executive branch court for the State of Louisiana. The agency conducts hearings for various state agencies including the Department of Public Safety.

Occupancy Snapshot

Current space is overcrowded and over-utilized. Additional office space is needed to adequately review case files and for the future implementation of electronic courtrooms. Current space is consolidated in an ideal, central location near law firms and law enforcement agencies.

Space Planning

Location	USF	FT E	Tele- workers	Con- tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
401 Market Street, 6 th Floor	1,585	3	0	1	528	\$14.03	\$22,237	24
Planning Estimates	1,981	3	0	1	660	TBD	TBD	24

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> High quality building with good building maintenance services and responsive landlord Centrally located downtown and ideally near law firms and law enforcement agencies, accessible to public transit Current space does not provide private entrances to judge offices, a requirement that prevents non-allowable communication between lawyers/law enforcement and judges Agency occupies a portion of the 6th floor with a lease that expires 5/31/2013
Types of Space Required	<ul style="list-style-type: none"> Administrative and customer services (waiting room) space with receptionist area Record review room, client consultation rooms, equipment room, and file room are also required Two courtrooms are required with elevated benches for judges Private entrances and hallways to judges' offices from courtrooms are needed to maintain proper communications restrictions between lawyers and judges Approximately 24 parking spaces, including space for one state vehicle
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> State law enforcement agencies including the Department of Public Safety would benefit from being colocated with the Division of Administrative Law, but the agencies cannot be located on the same floor to prevent ethical problems and non-allowable communication between judges and law enforcement
Technology and Security Requirements	<ul style="list-style-type: none"> Additional security measures needed to ensure safety of public, clients, and equipment Main public entrance to the receptionist area must contain a walk-thru metal detector and a private security guard As the agency commences an initiative to use electronic courtrooms, each courtroom must be properly wired for the purpose of downloading and viewing case documents
Access Requirements	<ul style="list-style-type: none"> Normal business operations are Monday through Friday; however, judges may need to access the space after-hours
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> No alternative workplace arrangements are feasible due to nature of work A budget request has been submitted to implement technology for electronic courtrooms next fiscal year. These courtrooms require sufficient space for attorneys, document readers, and large monitors to view case materials.
Other Considerations	<ul style="list-style-type: none"> Access to public transportation is desirable to accommodate the clientele

Governor's Office**Elderly Affairs, Elderly Protective Services**

Protects adults (age 60 and older) who cannot physically or mentally protect themselves and who are harmed or threatened with harmful actions. Acts to prevent, remedy, halt or hinder acts of abuse and neglect against elder adults.

Occupancy Snapshot

The current space is fully utilized and meets staff and client needs. The agency is currently consolidated in a single location, and is accessible to major roadways and public transportation.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 5 th floor	1,152	5	0	0	230	N/A	N/A	N/A
Planning Estimates	1,100	5	0	0	220	TBD	TBD	7

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Space is fully utilized and meets staff needs Location is near major roadways and allows for easy public access via public transportation
Types of Space Required	<ul style="list-style-type: none"> Primarily administrative office space Conference, filing, and storage space is required Approximately seven (7) parking spaces for staff and client vehicles
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> Elderly Affairs staff must operate in a private, enclosed space to protect client privacy If co-located with other agencies within the same building, Elderly Affairs must operate in a separate suite
Technology and Security Requirements	<ul style="list-style-type: none"> No unique security or technology requirements
Access Requirements	<ul style="list-style-type: none"> 24/7 access is not required
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> No current space initiatives or organization realignment programs
Other Considerations	<ul style="list-style-type: none"> Agency is already consolidated in one location Location must be accessible to major highways and public transportation

Governor's Office Financial Institutions

Supervises various entities that provide financial services to the citizens of the State of Louisiana and conducts audits.

Occupancy Snapshot

Current space is fully utilized and provides needed access to major roadways. At this time, security measures are inadequate and do not provide proper protect to employees or state vehicles. Location is ideal, as Federal partners are situated across the street.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
2924 Knight Street, 2 nd floor	1,087	5	0	0	217	TBD	TBD	8
Planning Estimates	1,098	5	0	0	220	TBD	TBD	8

*5 Employees work outside of existing office space more than 50% of workweek. However, sufficient work space is needed after conducting audits to write reports

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Space is fully utilized in a single consolidated office Ideal location that allows for easy client access and provides easy access to interstate for extensive travel required, secure area, and across the street from federal counterparts that provides a good work environment and a training room free of charge Current location lacks a security system or private security guard
Types of Space Required	<ul style="list-style-type: none"> Administrative space only; no specialty space is required Secure space needed to protect employees working after hours and state owned property and equipment Agency requires minimum exposure due to threat and endangerment to employees Approximately eight parking spaces for staff and clients
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> Sufficient privacy is needed to maintain the confidentiality of work performed. Conflicts may occur if the agency is accessible for and visible to other agencies and the public
Technology and Security Requirements	<ul style="list-style-type: none"> Lockable filing cabinets and doors to secure sensitive reports and documents Security system or private security guard are needed for employees arriving at and returning to the office after hours and on weekends Security is needed for state property including vehicles, equipment, etc.
Access Requirements	<ul style="list-style-type: none"> 24/7 access is needed depending on workload. Generally employees maintain normal work hours, but occasionally work over time and on weekends
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> No alternative workplace arrangements are feasible due to nature of work
Other Considerations	<ul style="list-style-type: none"> Access to major roadways is necessary Office may need to be expanded to accommodate the possible addition of a new server currently located in the Monroe office

Office of the Governor Mental Health Advocacy Service

Court-appointed attorneys for the mentally ill in the north Louisiana service area. Office must be in Shreveport to fulfill statutory obligations to represent children in Caddo Juvenile Court.

Occupancy Snapshot

Administrative space is over utilized due to no waiting area or file storage space. Problems may intensify as legally mandated period for retention is extended. Thin walls impede attorney-client confidentiality.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
2620 Centenary Blvd.	1,080	4.5	0	0	240	\$9.96	\$10,817	5
Planning Estimates	1,536	4	0	0	384	TBD	TBD	9

*Includes 2 non-classified state employees

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> ▪ Ideal location that allows for convenient access to court, LSU hospital, and SOB ▪ Space is overcrowded/over utilized; attorney's office presently used for storage; lack of confidentiality due to thin walls
Types of Space Required	<ul style="list-style-type: none"> ▪ Administrative and customer services (reception area) space ▪ File storage room ▪ Conference/meeting room ▪ Work room (printer, fax machine, etc.) ▪ Nine (9) parking spaces for staff and clients
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> ▪ Consolidation with DCFS would allow for easy access for clients and meetings ▪ Preferable for MHAS not to be co-located on the same floor with DHH and DCFS or any other state or non-state agencies due to client confidentiality and potential safety concerns ▪ Proximity to LSU hospital and Caddo Juvenile Court is desired, as 90 percent of mental health clients are at LSU-Shreveport hospital and court hearings occur on the premises
Technology and Security Requirements	<ul style="list-style-type: none"> ▪ Offices and files must be secured due to records confidentiality requirements ▪ No unique technology requirements other than those necessary for standard office space
Access Requirements	<ul style="list-style-type: none"> ▪ 24/7 access required
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ▪ None noted
Other Considerations	<ul style="list-style-type: none"> ▪ Facility must conform to ADA requirements for disabled access ▪ Office must be in Shreveport given the location of LSU Hospital and Caddo Juvenile Court

Group Benefits

Handles health and life insurance claims and information for active and retired State employees in 5 parishes.

Occupancy Snapshot

Current space is adequate but layout is imperfect. Office of Group Benefits would benefit from co-locating with as many other State agencies as possible.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
State Office Building	828	3	0	0	276	NA	NA	NA
Planning Estimates	855	3	0	0	285	NA	NA	7

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Space is sufficient and fully-utilized Utilization is imperfect due to location of file room and supervisor's office down the hall from the waiting room and C.S. rep office
Types of Space Required	<ul style="list-style-type: none"> Administrative, including waiting room (required for HIPAA compliance), file room (for Personal Health Information) and two offices
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> No co-location requirements or conflicts Beneficial to be co-located with as many state agencies as possible as State agency employees are clients of the Office of Group Benefits
Technology and Security Requirements	<ul style="list-style-type: none"> File room must have a lock on it to protect Personal Health Information
Access Requirements	<ul style="list-style-type: none"> Supervisor access to the building 24/7
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> None
Other Considerations	<ul style="list-style-type: none"> None

Louisiana Workforce Commission
Office of Workers' Compensation (OWC), Satellite Office

The district court for workplace injury disputes. The Shreveport location serves as one of the 10 district courts located in the State.

Occupancy Snapshot

Leased space which includes offices and a courtroom. Courtroom includes a Judge's bench, witness stand, waiting room and mediation room. No constraints with the existing space.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
9234 Linwood Ave.	3,710	10*	0	0	371	\$18.75	\$69,552	Adequate
Planning Estimates	3,588*	10	0	0	358**	TBD	TBD	25

*Includes 3 FTE that occupy space part time

**High USF/FTE ratio is due to specialized courtroom and attorney meeting space

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Administrative and courtroom space Space is fully-utilized; Adequate space for intended purpose Lease expires in Feb. 2014 and agency intends to exercise 5-year option
Types of Space Required	<ul style="list-style-type: none"> Courtroom configuration: Judge bench and witness stand (400 SF), waiting room, and mediation room Administrative space for 10 FTE Meeting space is required for private attorney-client meetings and mediation Common area needs: File room, waiting room, printing / fax room, supply room, computer room Approximately 25 parking spaces (42 state vehicles)
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> No benefits or conflicts from consolidation with other agencies
Technology and Security Requirements	<ul style="list-style-type: none"> Need for video conferencing capabilities Each district court has a full-time sheriff deputy for security and to serve as bailiff
Access Requirements	<ul style="list-style-type: none"> None
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> None
Other Considerations	<ul style="list-style-type: none"> A new location would need to be configured for courtroom use

Louisiana Workforce Commission Rehabilitation Services

The agency provides services to individuals with disabilities to assist in obtaining gainful employment and covers 10 parishes.

Occupancy Snapshot

Fully utilized office space which is on the verge of becoming over utilized. Additional space would provide more adequate privacy to the customer. Agency is separated onto two floors. Space is in decent condition.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 5 th Floor	1,016	4	0	0	254	N/A	N/A	N/A
SOB, 7 th Floor	7,950	35	0	0	227	N/A	N/A	N/A
Total Existing	8,966	39	0	0	229	N/A	N/A	N/A
Planning Estimates	9,221	41	0	0	225	TBD	TBD	54

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Agency is located on the fifth and seventh floors Space is fully-utilized; Additional space would provide more adequate customer privacy Existing space could not support additional personnel
Types of Space Required	<ul style="list-style-type: none"> Administrative space and conference space Require separate offices for staff due to confidential client discussions Classroom/training/evaluation space including sound proof and confidential assessment rooms Approximately 54 parking spaces including space for three state vehicles
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> Potential benefits from co-locating with other LWC offices No conflicts from co-location with other state agencies as long as confidentiality requirements are addressed
Technology and Security Requirements	<ul style="list-style-type: none"> Classroom (with computer) training and assessment space Security guard required at entry Access for the blind and hearing impaired
Access Requirements	<ul style="list-style-type: none"> No 24/7 access required ADA compliance mandatory Access to local bus lines and highways
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> Plan to integrate LRS with Office of Workers Compensation
Other Considerations	<ul style="list-style-type: none"> None

Louisiana Workforce Commission Workforce Support & Training (OWD), Employment Security

Primary mission is to assist unemployed individuals. OWD's services/activities include job placement, training, reemployment and eligibility assessment, resume preparation, and testing.

Occupancy Snapshot

Current space is adequate but under-utilized. There would be benefits to consolidation of all Louisiana Workforce Commission functions in a single location within the city limits.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
2900 Dowdell Street	14,000	23	0	18	341	\$7.55	\$8,813.42	NA
Planning Estimates	9,398	23	0	18	229	TBD	TBD	196

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Space is currently underutilized and stand-alone Weight-bearing walls make space layout inflexible Poor condition of carpet is a health hazard
Types of Space Required	<ul style="list-style-type: none"> Administrative, including lobby, offices, kitchen, classroom Soundproof testing space Need for 196 parking spaces, including one State vehicle
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> No co-location requirements or conflicts A single consolidated location for Worker's Compensation, LRS and OWD would enable closer collaboration within the Louisiana Workforce Commission Benefits to clients associated with co-location with other state agencies
Technology and Security Requirements	<ul style="list-style-type: none"> Computer HUB hook-up via Fiber Optic Cable Security guard has been used in the past, but not currently in use
Access Requirements	<ul style="list-style-type: none"> Access is required to space until 6pm on weekdays and also on Saturdays
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> Co-location of Louisiana Rehabilitation Services (LRS) and OWD
Other Considerations	<ul style="list-style-type: none"> Location must be within city limits and on a bus line to ensure client accessibility Ideally office areas will be easy for customer to access and parking will be available next to building to ensure a customer-friendly environment

Public Service Commission**District 5**

The PSC Office - District Five houses the commissioner, an executive assistant an auditor and an enforcement agent.

Occupancy Snapshot

Current space is fully utilized and accommodates the administrative functions of the PSC office. The location is ideal and provides easy access and high visibility. Current space provides a consolidated location with parking for employees and metered/garage parking for clients.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
415 Texas St., Suite 100	2,025	4*	0	0	506	N/A	N/A	6
Planning Estimates	1,536	4	0	0	384	TBD	TBD	6

*Includes 2 non-classified state employees

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> ▪ Ideal central location that allows for easy access and high visibility ▪ Space is fully utilized; parking generally available; sufficient security measures ▪ Existing space is comprised of office space, waiting room, conference room, storage, kitchen, fax/copier room
Types of Space Required	<ul style="list-style-type: none"> ▪ Administrative and customer services (waiting room) space ▪ Conference room capable of accommodating 20 people ▪ Storage room, kitchen and fax/copier room needed ▪ Approximately 6 parking spaces, two of which are secure, underground spaces
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> ▪ Work is of a unique nature and occasionally sensitive from an economic and political standpoint, so sharing space with other State agencies is potentially problematic
Technology and Security Requirements	<ul style="list-style-type: none"> ▪ No unique technology or security requirements
Access Requirements	<ul style="list-style-type: none"> ▪ Depending on workload 24/7 access is needed, as employees may work overtime
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ▪ No alternative workplace arrangements are feasible due to nature of work ▪ The PSC is authorized by the Legislature to establish a Railroad Safety Program that would require the hiring of an inspector for each of the five Commission districts; however, the PSC has not been funded for that program. If/when funded, additional personnel will be added to the Shreveport office. That individual would be housed in an unoccupied office currently located inside the suite
Other Considerations	<ul style="list-style-type: none"> ▪ Access to public transportation is necessary

Dept. of Revenue**Louisiana Revenue Services (LRS)**

The agency has three primary functions: revenue collection, auditing, and alcohol/tobacco control.

Occupancy Snapshot

The current space is under-utilized. The space is not optimally designed, as the layout is inefficient for productivity purposes. A single location that offers a more efficient space layout is needed.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 6 th floor	9,010	24*	0	0	375	N/A	N/A	N/A
Planning Estimates	4,505	24	0	0	188	TBD	46	35

* Nine (9) audit staff are currently located outside of the building; Two-thirds of Revenue Collections and all four (4) Alcohol and Tobacco Control employees currently work outside of the office more than 50% of the work week

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> Inefficient space plan with significant un-occupied/un-utilized space Location is near major roadways and allows for easy public access
Types of Space Required	<ul style="list-style-type: none"> Administrative and customer services (waiting room) space Conference room and interview room space Secure space for confiscated items, files, and to store cash (vault) Approximately 30 – 35 parking spaces for staff, clients, and State vehicles
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> If co-located with other state agencies, LRS would require a separate lobby and a secured office to protect confidential material
Technology and Security Requirements	<ul style="list-style-type: none"> Agency requires basic internet access and a secured portal Confidentiality requires restricted access to space and records On-site security personnel must be available (preferably within suite) to deal with disgruntled taxpayers
Access Requirements	<ul style="list-style-type: none"> 24/7 access is not required
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> Approximately 75 percent of auditors and tax officers will be moving out of state space and into the field; will only require hoteling space moving forward Only Revenue Collections and Alcohol / Tobacco Control require everyday office space Revenue Collections Office is currently open two days per week; could change in 2012
Other Considerations	<ul style="list-style-type: none"> Single location for LRS is desirable to ensure privacy and confidentiality Location must be accessible to major highways and have sufficient parking for employees and the public; location near public transportation is preferable

State Agencies Credit Union

It is a private entity that has served State of Louisiana employees in five northwest Louisiana parishes since 1952. It has approximately 1,000 account holders.

Occupancy Snapshot

Current space is fully utilized which allows for private offices and public interaction space. The current location is ideal to service a majority of State employees in Shreveport. Lack of security and operating cost prevents installation of an ATM.

Space Planning

Location	USF	FTE	Tele-workers	Con-tractors	USF / FTE	Rent / USF	Annual Rent (\$)	Parking
SOB, 10 th floor	561	2	0	0	281	N/A	N/A	N/A
Planning Estimates	448	2	0	0	224	N/A	N/A	4

Overview of Existing Space and Key Planning Considerations

Characteristics of Existing Space	<ul style="list-style-type: none"> ▪ Ideal location that allows for easy client access; ▪ Space size is appropriate;/over utilized; Space does not allow for a drive-thru window, which would allow for better service
Types of Space Required	<ul style="list-style-type: none"> ▪ Administrative, customer services (waiting room) space, and vault space ▪ Approximately four parking spaces for employees and customers
Co-Location Requirements / Conflicts	<ul style="list-style-type: none"> ▪ Must be accessible to all State employees in Shreveport and in the surrounding northwest Louisiana parishes
Technology and Security Requirements	<ul style="list-style-type: none"> ▪ Additional security measures needed to protect banking operations, nut no security guards are required (although it would be beneficial) ▪ Standard technology needs including T-1 capabilities
Access Requirements	<ul style="list-style-type: none"> ▪ Facility should be located in close proximity to State of Louisiana agencies and to major roadways ▪ No 24/7/365 access required
Initiatives Impacting Space Requirement	<ul style="list-style-type: none"> ▪ None
Other Considerations	<ul style="list-style-type: none"> ▪ Access to public transportation is preferred

XI. Appendix C: Asset Management Strategy Analysis – Minor Renovation (\$3M)

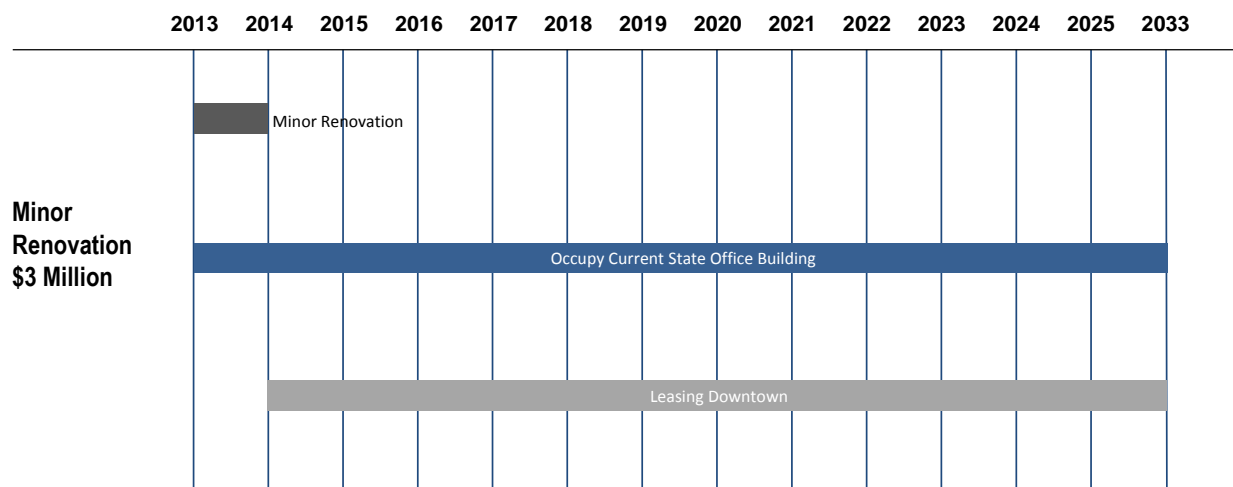
1. Scenario Overview

In this scenario, approximately \$3M would be spent to renovate the SOB. This investment would go towards planned mechanical and electrical renovations, leaving additional improvements identified in the VFA, Inc. report and Office of State Buildings (OSB) 5-Year Capital Outlay Plan for future action. The Office of Juvenile Justice will move to more appropriate leased space and the underutilized Department of Revenue space will be eliminated. The newly created vacant space in the SOB will be backfilled through the following: 1) the move of three DHH agencies from leased space into owned space; 2) decompression of personnel in three DCFS agencies currently in over-utilized owned space; and 3) decompression of personnel in over-utilized State Fire Marshal space at the Jordan Street building. The remaining lease portfolio stays in place and leases are renewed as necessary. The Jordan Street building is not renovated and occupants remain in place. The proposed housing locations for all users of space in Shreveport are identified in the matrix shown in Appendix D.

2. Conceptual Timeline

The figure below provides an approximate timeline for execution and implementation of a Minor Renovation (\$3 Million).

Figure 25: Minor Renovation (\$3M) Conceptual Timeline by Fiscal Year



*Timeline based on State of Louisiana fiscal calendar

Agencies occupying the existing SOB will remain in place during the estimated \$3 million minor renovation. At the end of the minor renovation, the Office of Juvenile Justice, will vacate 5,023 USF of spaces and relocate to a more suitable location outside of the Shreveport CBD. The move will occur in the beginning of FY2014, as indicated in the timeline above and potentially enables space constraint agencies in the SOB to decompress in the available space. It is assumed that the minor renovation will start at the beginning of FY2013 and finish approximately one year later. After the minor renovation of the SOB is completed, it is assumed that all agencies space will remain in place through FY2032.

3. Cost Analysis

a) Key Assumptions

The following list provides a summary of the key assumptions used in the financial analysis for the Minor Renovation scenario. A complete list of assumptions is located in Appendix E.

Table 41: Minor Renovation Financial Assumptions

Key Assumption	Summary Description
Recurring Occupancy Costs	
Existing and Renovated SOB Operating Expenses	<ul style="list-style-type: none"> The State will continue to pay annual expenses to maintain and occupy the existing SOB. Upon completion of the renovations, operating expenses in the SOB will remain constant.
Shell Rent for SOB	<ul style="list-style-type: none"> The State does not collect shell rent from the agencies to offset construction costs.
Existing State Leases in Shreveport	<ul style="list-style-type: none"> Existing leases will continue until select agencies relocate into the renovated SOB. Rents were escalated on a "step-up" basis every five years at an annualized rate of inflation.
Future State Leases in Shreveport	<ul style="list-style-type: none"> New lease for OJJ will be initiate at market rents in 2014. Rent is escalated on a "step-up" basis every five years at an annualized rate of inflation.
Parking	<ul style="list-style-type: none"> No recurring cash flows are associated with parking.
Capital Reserves	<ul style="list-style-type: none"> Capital reserves were included as a recurring expense to account for future capital re-investment to maintain the renovated SOB.
Non-Recurring Project Costs	
Renovation Costs	<ul style="list-style-type: none"> Include costs necessary to cure all deferred maintenance. Upgrades do not include renovations to configure existing space.
Furniture, Fixtures, and Equipment (FF&E)	<ul style="list-style-type: none"> Included for all moves to both leased space and owned space.
Swing Space	<ul style="list-style-type: none"> State to lease 24K USF of swing space to accommodate 2-3 floors in four phases of renovation.
Move Costs	<ul style="list-style-type: none"> Calculated based on the relocation strategies described earlier in this section, including swing moves.
Decommissioning Costs	<ul style="list-style-type: none"> Incurred at leased and owned locations, which are vacated as part of scheduled moves.
Net Property Value	
Accumulated Deferred Maintenance	<ul style="list-style-type: none"> Assumes that only \$3 million of \$17 million of deferred maintenance will be cured. Balance of deferred maintenance will increase at twice the rate of inflation throughout the 20-year investment period.
Reversion Value	<ul style="list-style-type: none"> Estimated property value of the existing SOB at the conclusion of the 20-year investment period using the direct capitalization method.
Financing Costs	
Interest on Loan Proceeds	<ul style="list-style-type: none"> Present value of the interest payments associated with the loan required to fund the initial investment.

b) Analysis

The present value of all project costs associated with Minor Renovation is estimated to be approximately \$67.6 million for the period between FY2013 and FY2033. The table below reports the breakdown of present value costs by recurring, non-recurring costs, net property value, and financing costs.

Table 42: Minor Renovation – Financial Summary

Minor Renovation: \$3 million Renovation of SOB	
Recurring Occupancy Costs (NPV - 2013 dollars)	
Private Sector Leases	\$16,428,946
Existing State Office Building OpEx	\$21,006,605
New State Office Building OpEx	\$0
Capital Reserves	\$2,579,706
Total Recurring Occupancy Costs	\$40,015,257
Non-Recurring Project Costs (NPV - 2013 dollars)	
Total Relocation and Transition Costs	\$0
Land Purchase	\$0
Construction Costs	\$2,953,713
Furniture, Fixtures, & Equipment	\$2,850,285
Total Non-Recurring Project Costs	\$5,803,997
Financing Costs (NPV - 2013 dollars)	
Interest on Loan Proceeds	\$1,419,961
TOTAL ANNUAL OBLIGATIONS	\$47,239,216
Total Property Value (NPV – 2013 dollars)	
Accumulated Deferred Maintenance	(\$21,036,613)
Reversion Value	\$2,477,286
Sale Proceeds from State Buildings	\$0
Less: Total Net Property Value	(\$18,559,327)
TOTAL SCENARIO COSTS	\$65,798,543
TOTAL LOAN PROCEEDS (Nominal Value)	\$3,063,000

Minor Renovation consists of investing only \$3 million to replace only the essential building systems to allow for continued occupancy of the existing SOB with no change to the agency footprint. The primary cost drivers unique to this scenario are the reduced renovation costs and accumulated deferred maintenance. Investing only \$3 million is insufficient to cure the total of \$17 million of deferred maintenance. Therefore, the balance of \$14 million will increase during the 20-year investment period due to two circumstances:

1. Building systems in addition to the identified deferred maintenance begin to fail and require replacement
2. Replacement costs escalate due to inflation

A second cost driver is the reversion value of the renovated SOB, which consists of the property value of the SOB at the conclusion of the 20-year investment period. Assuming market conditions remain stable in the City of Shreveport, the market value of the asset will partially offset the accumulated deferred maintenance.

The total loan required in this scenario is estimated to be \$3.1M. Loan proceeds fund construction costs, and tenant improvements. Furniture, fixtures, and equipment, as well as relocation and transition costs, are not funded by the loan when applicable. Further, it is assumed that there would be no loan fees (i.e., origination fees) associated with the debt.

Annual occupancy costs (leases and operating costs) to the State are expected to increase at the rate of inflation throughout the investment period. When combined with the interest payments on the loan proceeds, total recurring costs to the State are expected further increase by the amount of the interest payments. The schedule below illustrates the projected annual budget obligations for the first six years of the project (FY2013-FY2018).

Table 43: Minor Renovation – Annual Financial Obligations

Cost Item	2013	2014	2015	2016	2017	2018
Recurring Costs (Nominal Dollars)						
Recurring Occupancy Costs	\$2,228,682	\$2,257,887	\$2,287,797	\$2,318,428	\$2,349,801	\$2,485,517
Financing Costs	\$0	\$0	\$56,666	\$113,331	\$113,331	\$113,331
Total Recurring + Financing Costs	\$2,228,682	\$2,257,887	\$2,344,462	\$2,431,759	\$2,463,132	\$2,598,848
Non-Recurring Costs (Nominal Dollars)						
Relocation and Transition Costs	\$0	\$0	\$0	\$0	\$0	\$0
Land Purchase	\$0	\$0	\$0	\$0	\$0	\$0
Construction Costs	\$0	\$3,063,000	\$0	\$0	\$0	\$0
FF&E	\$0	\$2,955,745	\$0	\$0	\$0	\$0
Total Non-Recurring	\$0	\$6,018,745	\$0	\$0	\$0	\$0
Total Annual Budget	\$2,228,682	\$8,276,633	\$2,344,462	\$2,431,759	\$2,463,132	\$2,598,848

The table below presents the present value of recurring occupancy costs (with and without financing) in FY2013 and FY2018. This analysis compares the future annual payments to current dollar amounts. These costs exclude non-recurring costs such as construction and move costs. After completion of the new SOB, the present value of the State's annual occupancy costs (operating expenses and rent) will increase by approximately 11.5 percent. After accounting for financing costs (interest payments), the present value of the State's occupancy costs will increase by 16.6 percent.

Table 44: Minor Renovation – 2013 and 2018 Occupancy and Operating Costs

	2013 Financial Obligation (PV in 2013)	2018 Financial Obligation (PV in 2013)	% Difference
Total USF	190,645	190,645	0.00%
Recurring Occupancy Costs	\$2,228,682	\$2,485,517*	11.52%
Total Cost Per RSF	\$11.69	\$13.04	11.52%
Recurring and Financing Costs	\$2,228,682	\$2,598,848**	16.61%
Total Cost Per RSF	\$11.69	\$13.63	16.61%

*Nominal value is equal to \$2,485,517, an increase of 11.5 percent







**Nominal value is equal to \$2,598,848, an increase of 16.6 percent

4. Qualitative Analysis

The Team also assessed the benefits and constraints of this scenario relative to the State's strategic goals for both this Study and the management of FP&C real property State-wide. Ratings are assigned based on the extent to which each scenario 'Exceeds,' 'Partially Exceeds,' 'Meets,' 'Partially Meets,' or 'Fails to Meet' the evaluation criteria. Benefits are denoted with a plus sign (+)

and constraints are denoted with a minus sign (–). The qualitative assessment for this scenario is shown in the following table.

Table 45: Minor Renovation Qualitative Analysis Summary

Evaluation Criteria	Rating	Explanation
Operational Efficiency	 Partially Meets	<ul style="list-style-type: none"> Creates modest increase in adjacencies – Layout remains inefficient and does not allow for significant increase in consolidation opportunities
Capital Deployment	 Does Not Meet	<ul style="list-style-type: none"> Some outstanding deferred maintenance requirements are cured – Significant, costly deferred maintenance backlog remains – Does not reduce expenditure for State-leased facilities
Flexibility	 Partially Meets	<ul style="list-style-type: none"> – Limited flexibility to accommodate changes in space requirements due to inefficient building design
Location	 Meets	<ul style="list-style-type: none"> + Access to public transportation and major highways/thoroughfares – Located outside the Shreveport CBD
Suitability	 Does not Meet	<ul style="list-style-type: none"> – Not all facility deficiencies and building code requirements addressed – Space remains functionally inappropriate
Overall Rating	 Partially Meets	Overall scenario partially meets evaluation criteria objectives

				
Exceeds	Partially Exceeds	Meets	Partially Meets	Does Not Meet

5. Scenario Summary

A minor renovation of the existing SOB would not provide many additional advantages to State agencies relative to the current situation. The renovation would cure a small amount of outstanding deferred maintenance requirements. However, a significant, costly deferred maintenance backlog would remain. Remaining in the existing SOB would continue to provide customers and clients with access to public transportation and major thoroughfares.

Unlike the modernization scenario, the \$3M Minor Renovation scenario would not address all facility deficiencies and building code requirements. The office space would remain functionally inappropriate and inadequate for State agencies. In addition, this scenario would not reduce expenditures for State-leased facilities. Despite creating a modest increase in agency adjacencies, the space layout would remain inefficient and not allow for consolidation opportunities. An inefficient building design would provide limited flexibility to accommodate changes in space requirements.

XII. Appendix D: Summary Housing Matrix by User

This section contains the current and proposed location of each customer agency evaluated as part of the Study.

Table 46: Summary Housing Matrix by User

Agencies	Current Location	Baseline: Modernization \$17M	Scenario 1: Construct 149K GSF Building Downtown	Scenario 2: Construct 72K GSF Building in Downtown	Scenario 3: Lease Existing Office Space
Administration, Office of State Buildings	Existing SOB	Existing SOB	New SOB	New SOB or Private Lease Downtown	Private Lease Downtown
Revenue, LRS					
State Agencies Credit Union					
Elderly Affairs					
Group Benefits					
DCFS, Regional Office					
DCFS, Child Welfare Regional					
DHH/OPH, Region 7 Office					
DNR, Conservation					
DPSC, Capital Police					
DCFS, Child Welfare Caddo					
DEQ	Existing SOB	Existing SOB	Private Lease Not Downtown	Private Lease Not Downtown	Private Lease Not Downtown
DCFS, Child Support Enforcement					
DCFS, Economic Stability					
DPSC, Office of Juvenile Justice					
LWC, Rehabilitation Services					
DPSC, State Fire Marshall	Jordan Street	Jordan Street	New SOB	New SOB	Private Lease Downtown
DHH/OBH, Adult Services	Hearne Street	Hearne Street	Hearne Street	Hearne Street	Hearne Street
DHH/OPH, Caddo Parish Health Unit	Caddo Owned	Caddo Owned	Caddo Owned	Caddo Owned	Caddo Owned
AG, Risk Litigation Division	Private Lease Not Downtown	Private Lease Not Downtown	Private Lease Not Downtown	Private Lease Not Downtown	Private Lease Not Downtown
DSCS, Division of					
Administrative Law					

Agencies	Current Location	Baseline: Modernization \$17M	Scenario 1: Construct 149K GSF Building Downtown	Scenario 2: Construct 72K GSF Building in Downtown	Scenario 3: Lease Existing Office Space
DHH/OBH, Children Services	New SOB or Private Lease Downtown	New SOB or Private Lease Downtown	New SOB or Private Lease Downtown	New SOB or Private Lease Downtown	New SOB or Private Lease Downtown
DHH/OPH, State Laboratory					
LWC, Workforce Support & Training					
DPSC, Adult Probation & Parole					
DPSC, Office of Motor Vehicles					
DCFS, Disability Determinations Service	Private Lease Not Downtown	Private Lease Not Downtown	New SOB	New SOB or Private Lease Downtown	Private Lease Downtown
DHH, ADA Compliance					
DHH, Bureau of Health Services Financing, Medical Vendor Administration, Region 7					
DHH, Region 7 Administrative Counsel					
DHH, Region 7 Health Standards					
DPSC/OSP, Gaming Enforcement Division					
Financial Institutions					
LWC, Office of Worker's Compensation					

XIII. Appendix E: Financial Model Assumptions

This section contains detailed descriptions of the financial assumptions included as part of the quantitative portions of the Study.

Table 47: Financial Model Assumptions

#	Assumption	Metric	Format	Source	Description	Scenario
Development Scope Assumptions						
1.	Burden Factor	1.35	GSF / USF Ratio	State of Louisiana Office of Facilities and Control	Ratio calculated based on State of Louisiana Office of Facilities and Control requirements	All
2.	Parking Ratio	250	1 Space / 250 GSF	State of Louisiana Zoning Code	State of Louisiana Zoning Code allows one parking space per 250 GSF	All
3.	Renovation Phase Duration	6	Months	Jones Lang LaSalle	Estimate based on market research	Baseline – Moderate
4.	Swing Space Inventory	24,000	USF	Jones Lang LaSalle	Estimate of swing space required (2-3 floors per renovation phase)	Baseline – Moderate
Construction Hard Cost Assumptions						
5.	Site Work	\$10	\$ / GSF	Jones Lang LaSalle	Estimate based on market research	All
6.	Parking (surface)	\$3,500	\$ / Space	Jones Lang LaSalle	Estimate based on market research	All
7.	Parking (structured – above ground) (not included in study)	\$25,000	\$ / Space	Jones Lang LaSalle	Estimate based on market research	All
8.	Land Acquisition Costs	10% of Total Costs	\$ (Present Value)	Jones Lang LaSalle	Estimate for land acquisition costs based on 10 percent of total project costs	1 & 2
9.	Minor Renovation	\$14	\$ / GSF	State of Louisiana	Estimate calculated based on \$3 million minor renovation cost provided by the State of Louisiana	Baseline – Minor
10.	Moderate Renovation	\$81	\$ / GSF	State of Louisiana	Estimate calculated based on \$17 million moderate renovation cost provided by the State of Louisiana	Baseline – Moderate
11.	Core and Shell (New Construction)	\$101	\$ / GSF	RSMMeans	Estimate for new construction excludes Contractor Fees, General Requirements, GC Overhead, and GC Profit	1 & 2

#	Assumption	Metric	Format	Source	Description	Scenario
12.	Tenant Improvements (TI)	\$45	\$ / Space	Jones Lang LaSalle	Estimate based on market research and pertains to standard office space	1 & 2
13.	Cafeteria/Other Specialty Space (TI)	\$100	\$ / USF	Jones Lang LaSalle	Estimate based on market research	1 & 2
14.	General Contractor (GC) Fee	5%	% / Hard Costs	Jones Lang LaSalle	Estimate based on percentage of core and shell, demolition, site work, and parking costs	1 & 2
15.	GC Profit	5%	% / Core and Shell	Jones Lang LaSalle	Estimate based on percentage of core and shell cost	1 & 2
16.	GC Overhead	5%	% / Core and Shell	Jones Lang LaSalle	Estimate based on percentage of core and shell cost	1 & 2
17.	General Requirements	10%	% / Core and Shell	Jones Lang LaSalle	Estimate based on percentage of core and shell cost	1 & 2
18.	Hard Cost Contingency	5%	% / Hard Costs	Jones Lang LaSalle	Estimate based on market research as a percentage of hard costs	All
19.	Furniture	\$35	\$ / GSF	Jones Lang LaSalle	Estimate based on market research	All
20.	Equipment	\$5	\$ / GSF	Jones Lang LaSalle	Estimate based on market research	All
21.	Misc. Phone Systems/Technology	\$5	\$ / GSF	Jones Lang LaSalle	Estimate based on market research	All
Construction Soft Cost Assumptions						
22.	Architect / Engineering Fees	9%	% / Hard Costs	Jones Lang LaSalle	Estimate includes fees for structural engineer, interior architect, civil engineer, mechanical/electric/plumbing engineer, and other typical office building consultants	1 & 2
23.	Geotechnical Engineering Fees	1%	% / Core and Shell & Site Work	Jones Lang LaSalle	Estimate based on market research as a percentage of core and shell and site work costs	1 & 2
24.	Permits	2%	% / Core and Shell	Jones Lang LaSalle	Estimate based on market research as a percentage of core and shell cost	1 & 2
25.	Tests & Inspections	\$300,000	Fixed Cost	Jones Lang LaSalle	Estimate based on market research	1 & 2

#	Assumption	Metric	Format	Source	Description	Scenario
26.	Environmental Test Consultants	\$100,000	Fixed Cost	Jones Lang LaSalle	Estimate based on market research	1 & 2
27.	Surveys	\$50,000	Fixed Cost	Jones Lang LaSalle	Estimate based on market research	1 & 2
28.	Legal / Accounting	\$200,000	Fixed Cost	Jones Lang LaSalle	Estimate based on market research	1 & 2
29.	Builders Risk Insurance	2%	% / Hard Costs	Jones Lang LaSalle	Estimate based on market research	1 & 2
30.	Developer Fee	3%	% / Hard Costs and Soft Costs	Jones Lang LaSalle	Estimate based on market research as a percentage of hard and soft costs	1 & 2
31.	Soft Cost Contingency	15%	% / Soft Costs	Jones Lang LaSalle	Estimate based on market research as a percentage of soft costs	1 & 2
Financing and Operating Cost Assumptions						
32.	Swing Space and Market Lease Rate	\$14	\$ / USF	Jones Lang LaSalle	Estimate based on market research of comparable lease rates; conversion from RSF to USF rates	Baseline – Moderate & 3
33.	Model Start Year	7/1/2012	Year	Jones Lang LaSalle	Model start year based on State of Louisiana's fiscal calendar	All
34.	Model End Year	6/30/2032	Year	Jones Lang LaSalle	Based on 20-year time horizon	All
35.	Loan Interest Rate	3.7%	Percent	Jones Lang LaSalle	Estimate based on market research	All
36.	Capitalization Rate	7.5% & 10%	NOI / Sales Price	Real Capital Analytics	Real Capital Analytics estimation (Class A: 7.5%; Class C: 10%)	All
37.	Loan Term	20	Years	Jones Lang LaSalle	Loan term based on feedback received from State of Louisiana	All
38.	Cost of Bond Issuance	0%	% of Total Project Costs	Louisiana Bond Commission	Assumes fees are paid outside of loan proceeds	All
39.	Discount Rate	3.7%	Percent	State of Louisiana	Estimate consistent with 20 year borrowing rate for State of Louisiana	All
40.	Operating Expense	\$5.78	\$ / RSF	BOMA	BOMA estimate pertains to 2010 Shreveport office space data	All

#	Assumption	Metric	Format	Source	Description	Scenario
41.	General Inflation	2.1%	Percent	Jones Lang LaSalle	Estimate based on approximate long term CPI	All
42.	Deferred Maintenance Inflation	4.0%	Percent	Jones Lang LaSalle	Estimate based on market research	All
43.	Capital Reserve	\$1	\$ / USF	Jones Lang LaSalle	Estimate based on market research	Baseline – Moderate Renovation
44.	Capital Reserve	\$.50	\$ / USF	Jones Lang LaSalle	Estimate based on market research	1 & 2
Move Cost Assumptions						
45.	Full Move / Swing Move	\$2	\$ / USF	Jones Lang LaSalle	Estimate for swing space requirement during renovation	All
46.	Decommissioning Costs	\$2.25	\$ / RSF	Jones Lang LaSalle	Estimate based on market research	All
Cost Spreading Assumptions						
47.	Construction Period	24	Months	Jones Lang LaSalle	Estimate based on market research for ~150K GSF building	1
48.	Construction Period	18	Months	Jones Lang LaSalle	Estimate based on market research for a ~75 GSF building	2

XIV. Appendix F: Lease Profiles

This section contains the profiles of each lease location for space occupants in the Study.

Lease Profile: 330 Marshall Street



Occupant 1 of 1: AG – Risk Litigation Division	
Space Type / Use	▪ Administrative, Library, Interview
Lease # / Contract #	▪ 04-5013 / 5013
Suite Number	▪ Suite 777
FTE / Contractors	▪ 15 / 0
USF	▪ 4,397
USF / (FTE + C)	▪ 293
Rental Rate	▪ \$16.50 per square foot per annum
Parking	▪ Information Not Provided
Expiration Date	▪ 3/14/2016

Lease Profile: 401 Market Street



Occupant 1 of 1: DPSC – Division of Administrative Law, Shreveport Office	
Space Type / Use	▪ Administrative, Courtroom
Lease # / Contract #	▪ 17-0009 / 5068
Suite Number	▪ 650
FTE / Contractors	▪ 3 / 1
USF	▪ 1,585
USF / (FTE + C)	▪ 396
Rental Rate	▪ \$14.03 per square foot per annum
Parking	▪ 4 Spaces
Expiration Date	▪ 5/31/2013

Lease Profile: 415 Texas Street



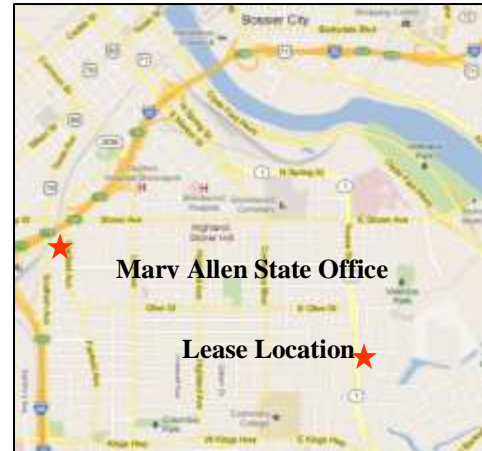
Occupant 1 of 1: Public Service Commission, District 5	
Space Type / Use	▪ Office space, waiting room, conference rooms
Lease # / Contract #	▪ 04-0143 / 5005
Suite Number	▪ Suite 100
FTE / Contractors	▪ 4 / 0
USF	▪ 2,025
USF / (FTE + C)	▪ 506
Rental Rate	▪ \$13.03 per square foot per annum
Parking	▪ 5 spaces
Expiration Date	▪ 8/1/2014

Lease Profile: 533 Vine Street



Occupant 1 of 1: Department of Health & Hospitals, State Laboratory	
Space Type / Use	▪ Laboratory space
Lease # / Contract #	▪ Information Not Provided
Suite Number	▪ First Floor
FTE / Contractors	▪ 12 / 0
USF	▪ 8,999
USF / (FTE + C)	▪ 750
Rental Rate	▪ Information Not Provided
Parking	▪ Information Not Provided
Expiration Date	▪ 6/30/2019

Lease Profile: 2525 Youree Drive



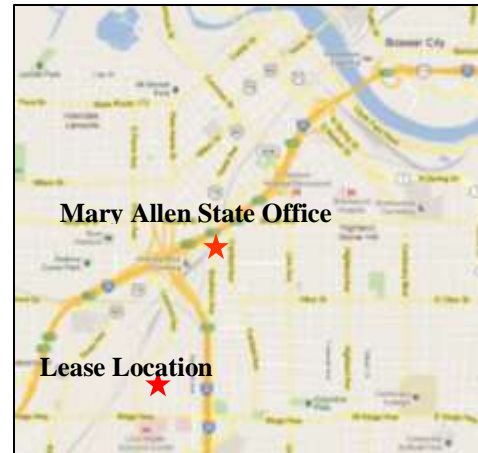
Occupant 1 of 1: DPSC – Adult Probation and Parole	
Space Type / Use	▪ Law Enforcement Space, Administrative
Lease # / Contract #	▪ 08-0143 / 5135
Suite Number	▪ N/A
FTE / Contractors	▪ 60 / 0
USF	▪ 18,005
USF / (FTE + C)	▪ 300
Rental Rate	▪ \$14.77 per square foot per annum
Parking	▪ 112 Spaces
Expiration Date	▪ 9/30/2012

Lease Profile: 2620 Centenary Blvd



Occupant 1 of 1: Governor's Office – Mental Health Advocacy Service	
Space Type / Use	▪ Administrative, Customer Service
Lease # / Contract #	▪ 01-0121 / 4780
Suite Number	▪ Suite 231
FTE / Contractors	▪ 4.5 / 0
USF	▪ 1,080
USF / (FTE + C)	▪ 240
Rental Rate	▪ \$9.96 per square foot per annum
Parking	▪ 5 Spaces
Expiration Date	▪ 12/5/2013, no option

Lease Profile: 2900 Dowdell Street



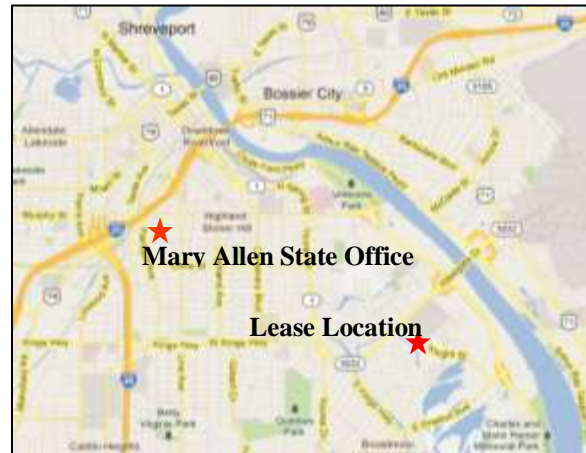
Occupant 1 of 1: LWC – Workforce Support & Training, Employment Security	
Space Type / Use	▪ Administrative
Lease # / Contract #	▪ 14-0038 / 5084
Suite Number	▪ Information Not Provided
FTE / Contractors	▪ 23 / 18
USF	▪ 14,000
USF / (FTE + C)	▪ 341
Rental Rate	▪ \$7.55 per square foot per annum
Parking	▪ Information Not Provided
Expiration Date	▪ Month-to-Month

Lease Profile: 2920 Knight Street



Occupant 1 of 1: DCFS – Disability Determinations Services, Shreveport Office	
Space Type / Use	▪ Administrative, Courtroom, Customer Service
Lease # / Contract #	▪ 10-0217 / 5181
Suite Number	▪ First Floor – Building 1, First and Second Floor – Building Two
FTE / Contractors	▪ 99 (includes 19 part-time employees) / 16
USF	▪ 28,151
USF / (FTE + C)	▪ 245
Rental Rate	▪ \$13.50
Parking	▪ 151 Spaces
Expiration Date	▪ 3/27/2012

Lease Profile: 2924 Knight Street



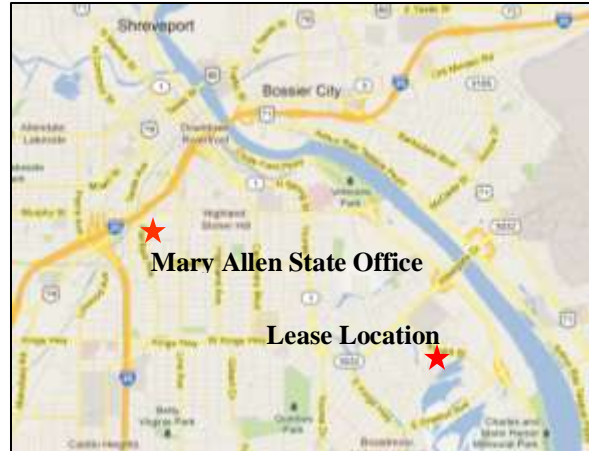
Occupant 1 Of 2: DHH – Office of Behavioral Health, Children Services & Early Childhood Support Services	
Space Type / Use	Behavioral Health Clinic, Administrative, Customer Service
Lease # / Contract #	09-0502 / 4877
Suite Number	Information Not Provided
FTE / Contractors	15 / 6
USF	3,848
USF / (FTE + C)	183
Rental Rate	Information Not Provided
Parking	Information Not Provided
Expiration Date	8/31/2012
Occupant 2 of 2: Governor's Office – Financial Institutions	
Space Type / Use	Administrative
Lease # / Contract #	01-0110 / 4708
Suite Number	360
FTE / Contractors	5 / 0
USF	1,087
Rental Rate	\$10.75 per square foot per annum
USF / (FTE + C)	217
Parking	8 spaces
Expiration Date	9/7/2012

Lease Profile: 3010 Knight Street



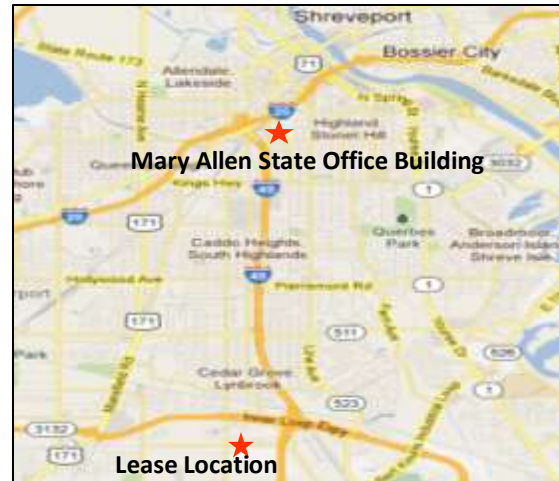
Occupant 1 of 2: DPSC – Office of State Police, Gaming Enforcement Division	
Space Type / Use	▪ Office / Administrative
Lease # / Contract #	▪ 08-0130 / 4659
Suite Number	▪ 270
FTE / Contractor	▪ 26 / 0
USF	▪ 6,749
USF / (FTE + C)	▪ 207
Rental Rate	▪ \$17.03 per square foot per annum
Parking	▪ 48 spaces
Expiration Date	▪ 5/20/2017
Occupant 2 of 2: DPSC – Office of State Police, Criminal Investigations Division, Insurance Fraud & Auto Theft Unit	
Space Type / Use	▪ Office / Administrative
Lease # / Contract #	▪ 08-0175 / 4954
Suite Number(s)	▪ 200, 220, 225
FTE / Contractor	▪ 16 / 0
USF	▪ 3,941
USF / (FTE + C)	▪ 246
Rental Rate	▪ \$12.95 per square foot per annum
Parking	▪ 24 spaces
Expiration Date	▪ 4/11/2012 – 5 year option

Lease Profile: 3020 Knight Street



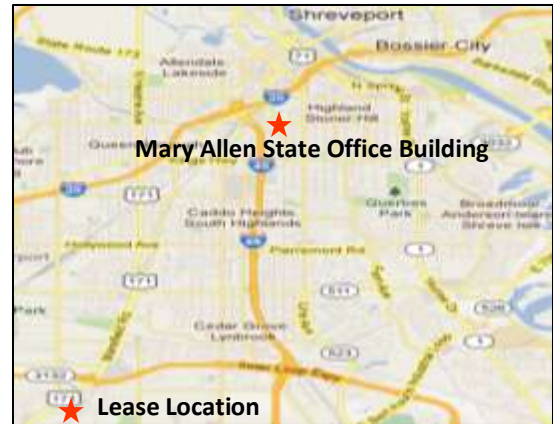
Occupant 1 of 3: DHH – Bureau of Health Services Financing, Medical Vendor Administration, Reg. 7	
Space Type / Use	Administrative / Customer Service
Lease # / Contract #	09-0364 / 5250
Suite Number	Occupies portions of the first and second floors
FTE / Contractors	52 / 2
USF	13,815
USF / (FTE + C)	256
Rental Rate	\$10.52 per square foot per annum
Parking	146 Spaces
Expiration Date	1/16/2015
Occupant 2 of 3: DHH – Region 7 Administrative Counsel / ADA Compliance	
Space Type / Use	Administrative / Customer Service
Lease # / Contract #	09-0364 / 5250
Suite Number	290
FTE / Contractors	2
USF	2,965
Rental Rate	\$10.52 per square foot per annum
USF / (FTE + C)	1,482
Parking	See Above
Expiration Date	1/16/2015
Occupant 3 of 3: DHH – Region 7 Health Standards	
Space Type / Use	Administrative / Customer Service
Lease # / Contract #	09-0364 / 5250
Suite Number	See Above
FTE / Contractors	20 / 0
USF	3,171
Rental Rate	\$10.52 per square foot per annum
USF / (FTE + C)	159
Parking	Included above
Expiration Date	1/16/2015

Lease Profile: 9234 Linwood Avenue



Occupant 1 of 1: Louisiana Workforce Commission, Office of Workers Compensation, Satellite Office	
Space Type / Use	▪ Courtroom, waiting room, mediation room
Lease # / Contract #	▪ 14-0025 / 5090
Suite Number	▪ First floor
FTE / Contractors	▪ 7 / 0
USF	▪ 3,710
USF / (FTE + C)	▪ 530
Rental Rate	▪ \$18.75 per square foot per annum
Parking	▪ Information Not Provided
Expiration Date	▪ 2/28/2014

Lease Profile: 9310 Normandie Drive



Occupant 1 of 1: Department of Public Safety & Corrections, Office of Motor Vehicles, Drivers License Office	
Space Type / Use	▪ Driver's license office, customer service and public interaction space
Lease # / Contract #	▪ 08-0125 / 4970
Suite Number	▪ 1 st floor
FTE / Contractors	▪ 17 / 1
USF	▪ 9,701
USF / (FTE + C)	▪ 539
Rental Rate	▪ \$13.70 per square foot per annum
Parking	▪ Information Not Provided
Expiration Date	▪ Month - Month