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United States General Accounting Office
Washington, D.C. 20548

General Government Division

B-286151

September 28, 2000

The Honorable Jo Ann Emerson
The Honorable Don Young
House of Representatives

Subject: Feasibility of Moving the Forest Service From the Sidney Yates Building

This letter responds to your requests concerning the feasibility of moving the Forest Service's Washington, D.C., employees from the Sidney Yates Building into the U.S. Department of Agriculture's (USDA) South Building. It discusses (1) the estimated occupancy level of the modernized South Building, (2) the feasibility of moving Forest Service employees and other operations housed in the Sidney Yates Building into the South Building or other space, and (3) the feasibility of the Sidney Yates Building being used for other purposes, such as a museum.

Results in Brief

USDA currently estimates that upon completion of its modernization, the South Building will house 6,800 employees. This would be an increase of about 300 employees over the number of employees that were housed in the South Building before the modernization. However, this would be a decrease of almost 1,700 persons from its initial estimate of 8,488 persons made in 1991, when USDA began exploring the possibility of modernizing its South Building. According to USDA officials, the initial figure of 8,488 was based on preliminary assumptions that the building could be reconfigured to increase the occupiable office space by almost 21 percent. These assumptions were later found to be impractical. For example, USDA determined that the attic could not be converted to office space because it had to be used for the building's new mechanical systems. In addition, USDA's space consultant concluded that the need for additional restrooms, shafts, and telecommunication rooms would actually decrease the amount of office space in each wing of the South Building. Further, USDA officials told us that historical preservation requirements limited their ability to make changes to the South Building that would have increased the amount of office space by eliminating most corridors.

While relocating the Forest Service from the Sidney Yates Building could be accomplished if necessary, it would be costly and it could not be done quickly. Because the South Building is currently undergoing a modernization and does not have vacant space available, it cannot house the functions from the Sidney Yates Building at this time without disrupting the renovation in progress. As phases of the South Building modernization are completed, USDA plans to relocate as many employees as possible from space leased from the private sector to

reduce its dependency on such space. Even after these relocations are completed, USDA will still require space from the private sector because it has more employees and contractor personnel than it expects to be able to move into the modernized South Building or house in other assigned government-owned buildings. Moving the Forest Service and the USDA child care center into the South Building would displace other USDA functions currently in the building and/or require functions currently scheduled to be moved into the building to remain in leased space. Since it is unlikely that sufficient government-owned space for the Forest Service would be available, the General Services Administration (GSA) would need to locate and acquire leased space from the private sector to house the agency should it be moved out of the Sidney Yates Building. GSA estimates that it could take 4 to 5 years to relocate the Forest Service and relocating the employees and reestablishing the telecommunication capabilities could cost millions of dollars. Also, finding a new location near the South Building for the child care center, which can be used by all USDA staff, could be difficult because it would have to meet GSA's criteria for establishing a child care center.

If another potential use for the Sidney Yates Building were identified and proposed, such as a museum, an engineering feasibility study would need to be conducted to determine if the physical structure of the building, such as its floor loads, elevators, and the number of entrances and exits, could accommodate the planned functions. The historic Sidney Yates Building, built around 1880 and located in downtown Washington, D.C., underwent a major renovation in the late 1980s. This building is listed on the National Register of Historic Places. GSA believes that the historical aspects of the Sidney Yates Building could preclude renovations that might be needed to use the building for other purposes.

USDA and GSA generally agreed with the information in this letter.

Background

GSA's Public Buildings Service assigns space including space in government-owned buildings to agencies to satisfy their housing needs. USDA has four government-owned buildings in Washington, D.C.--the South Building, the Sidney Yates Building (formerly known as the Auditors Building), the James L. Whitten Building, and the Cotton Annex Building--totaling about 1.6 million usable square feet of space. Beginning in 1984, USDA has operated and maintained its government-owned buildings. In fiscal year 2000, USDA also occupied about 1.3 million square feet of leased space in multiple buildings in the Washington, D.C., area. In 1991, USDA published a strategic plan entitled "Meeting the Future Housing Needs in the Washington Metropolitan Area" in an attempt to gain support and funding for modernizing the South Building and building a new facility in Beltsville, Maryland. USDA received appropriations in fiscal year 1995 to begin work on its strategic plan. The George Washington Carver Center was constructed in Beltsville, Maryland, and first occupied in 1998.

The South Building is the largest government-owned building occupied by USDA. In fiscal year 2000, it contained approximately 1,234,000 usable square feet, with about 962,000

categorized as office space and around 272,000 used for other purposes.¹ The South Building is eligible for inclusion on the National Register of Historic Places. As such, USDA must retain the building's historic structure to the extent possible and is required to allow an advisory council to comment on all projects affecting the historic property. USDA began construction on its South Building modernization to correct health and safety hazards, improve accommodations for disabled persons, and provide modern facilities in September 1998. Another key objective of the modernization is to move as many employees as possible from leased space into government-owned space. This modernization is planned to have eight phases and be completed in 2010. The South Building will continue to be occupied during the modernization and employees will be moved as necessary to vacate the areas to be modernized. Phase 1 of the modernization is expected to be completed by October 2000, and phase 2 is scheduled to begin in early 2001.

Estimated Capacity of the Modernized South Building

USDA currently estimates that the modernized South Building will house about 6,800 employees. A key element in USDA's 1991 plan to address its future housing needs in the Washington, D.C., area was the modernization of USDA's South Building to increase its capacity and reduce USDA's dependency on leased space. Before the modernization, the South Building housed about 6,500 employees. In 1991, when USDA began exploring the modernization of its South Building, it expected to increase the amount of occupiable office space by about 21 percent, which would allow it to house 8,488 employees. The ability to increase the amount of office space was based on several assumptions including the ability to (1) demolish all existing masonry central corridors in the building, except on the first floor, to allow open space throughout the building; (2) create additional office space in selected areas such as the attic; and (3) minimize the use of enclosed space or private offices while using modular furniture to facilitate an open space floor plan.

These preliminary assumptions were later determined to be impractical. According to USDA, the ability to convert corridor space to office space was limited because the existing masonry corridors running along Independence Avenue (headhouse) and C Street (tailhouse) had to be retained on all floors to meet historic preservation requirements. In addition, it was also determined that retaining these corridors would be necessary to provide proper east-west circulation, fire safety exits, and security. An agreement was reached with historic authorities that only the internal wings of the building, excluding the first floor, could be considered for existing corridor demolition.

USDA determined that creating new office space in the attic would not be possible because the attic space was needed to house the new mechanical systems. Further, USDA's space consultant determined that the need for new mechanical/electrical shafts, additional restrooms, and telecommunications rooms would actually decrease the amount of office space available in each wing. According to USDA officials, the need for some private offices

¹According to USDA, space categorized as "office" includes offices and conference/training. Space categorized as "other" includes all other uses such as storage and laboratory. Square footage for parking is not included.

also decreased the estimated number of employees the modernized South Building could house.

USDA's current estimate of the maximum capacity of the modernized South Building is about 6,800 employees. In 1997, USDA established an office space standard of an average of 150 square feet per person. The estimated occupancy level of 6,800 employees will require achieving less than 150 square feet per person in the South Building when all phases of the modernization project are completed.

Moving the Forest Service Would be Costly and Time Consuming

While relocating the Forest Service from the Sidney Yates Building could be accomplished if necessary, it would be costly and it could not be done quickly. In addition, moving the Forest Service into the South Building would disrupt its ongoing modernization. The Forest Service has occupied the Sidney Yates Building since 1990. USDA's child care center also occupies space in the building. The Forest Service occupies about 113,000 square feet of office space, and the child care center occupies about 7,000 square feet of space. A total of about 679 employees are housed in this building.

USDA officials told us that the South Building does not and will not have vacant space to accommodate the Forest Service employees and child care center currently housed in the Sidney Yates Building. They said there were no plans to relocate these operations to the South Building in the future, primarily because their goal is to move as many employees as possible out of leased space into the South Building. The South Building is currently undergoing a modernization, and the officials said it cannot house the functions from the Sidney Yates Building at this time without disrupting the renovation in progress. By October 2000, USDA expects to complete phase 1 of its 8-phase modernization project for the South Building. The South Building is to be occupied throughout the modernization project. USDA's plan is to either move employees within the South Building; to its facility in Beltsville, MD; or to leased space at another location to vacate the areas to be modernized in the next phase. As each phase of the modernization is completed, USDA plans to move employees from within the building and from leased space into the newly renovated space.

USDA has made specific space assignments for the space in the first two phases of the modernization project. None of this space was assigned to the Forest Service. During phase 1 of the modernization project, 84,200 square feet of office space, including the library, was renovated to house 418 employees. According to an USDA official, most of these employees have moved into the space and the remaining employees are expected to move in by the end of the year. An additional 74,600 square feet of office space for 369 employees is planned to be modernized during phase 2. USDA said it has not made specific space assignments for the later phases of the project because completion of these phases is still a number of years away and agency space and staffing requirements continually fluctuate. However, USDA's housing plan has always been based on moving employees from leased space whenever possible and has never considered the Forest Service moving into the South Building, since it is already located in government-owned space.

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The modernization of the South Building should allow USDA to gradually vacate space leased from the private sector. However, even after the South Building modernization is complete, USDA expects it will continue to need leased space to meet its space requirements. According to an USDA official, while the number of USDA employees has decreased, the actual number of persons that must be housed has not decreased as much as expected. This is a result of USDA having to house additional contract employees and to provide space for task forces and persons from field offices. USDA does not expect to have sufficient space in its assigned government-owned buildings to house all of its employees and contractor personnel. Moving the Forest Service and the USDA child care center into the South Building would displace other USDA functions currently in the building and/or require functions currently scheduled to be moved into the building to remain in leased space.

Since it is unlikely that sufficient government-owned space would be available, if the Forest Service had to move from the Sidney Yates Building and did not move into the South Building, GSA would need to locate and acquire leased space for the Forest Service. Overall, leasing space from the private sector is more costly for the government than occupying government-owned buildings, such as the Sidney Yates Building. GSA officials told us that the organization causing the Forest Service to move would be expected to pay the relocation costs. They said that it could cost millions of dollars to pay for the physical move and to reestablish Forest Service's telecommunications capability. According to the Forest Service, it is in the government's interest that the Forest Service remain in the Sidney Yates Building due to the investments made in the building, the costs and disruption associated with relocation, the specific design of the interior of the building, and the proximity to the Secretary of Agriculture. In 1999, the Forest Service estimated that it would cost almost \$5 million to physically move from the Sidney Yates Building and reconstruct its computer facility. An additional \$2 million could be incurred by having to pay rent for two locations for the 6 months they estimate it would take to accomplish the move. The government could also lose its investment of almost \$20 million in improvements that it has made to the Sidney Yates Building if the building were no longer used to house a federal organization.

GSA officials estimated that it could take 4 to 5 years to acquire new space for the Forest Service. This is due to the amount of space that the Forest Service currently occupies, over 100,000 square feet. To replace this amount of space, GSA would be required to notify its authorizing committees of the space requirements before pursuing an acquisition to meet the requirements.

The child care center located in the Sidney Yates Building can be used by all USDA staff and finding a new home for the center near the South Building could be difficult. If alternate space were identified for the child care center, it would have to meet GSA's criteria for planning and establishing a child care center. These criteria address such issues as interior space requirements, playgrounds, parking availability, and security.

Engineering Study Needed to Determine the Feasibility of Using the Sidney Yates Building for Another Purpose

While certain features of the Sidney Yates Building, such as its location and historical structure, may make the building desirable for another purpose, such as a museum, an engineering feasibility study would need to be done given the historical nature of the building and its age—approximately 120 years old. This study would be needed to determine if the physical structure of the building, such as its floor load and elevator capacities and the number of entrances and exits, could accommodate the planned functions and uses. The building contains brick arch floor construction that provides adequate floor load capacity for the current office space and the child care center but that might not accommodate a use that requires a heavier floor load. According to GSA officials, any organization attempting changes to the Sidney Yates Building could encounter limitations due to the historical nature of the building. As discussed earlier, USDA had to deal with such limitations in its modernization of the South Building. The Sidney Yates Building is listed on the National Register of Historic Places, and this listing requires that federal agencies retain the building's historic structure to the extent possible and allow an advisory council to comment on all projects affecting the historic property.

In the late 1980s, the Sidney Yates Building underwent a major renovation. During this renovation, the building's electrical, lighting, plumbing, and mechanical systems were all upgraded. The renovation provided an open floor plan but still respected the historic architectural detailing of this historic structure. The building, located at the corner of 14th and Independence Avenue, is in a central location in Washington, D.C.

Agency Comments and Our Evaluation

On September 15, 2000, we requested comments on a draft of this letter from the Secretary of Agriculture. USDA's Director of the Design and Construction Division, Office of Operations, provided oral comments and generally agreed with the information provided. He provided some technical clarifications, which we incorporated into the report where appropriate. We also obtained oral comments from GSA's National Capital Region (NCR) Deputy Director of the DC South Service Delivery Team. She agreed with our presentation of the information provided by GSA. In addition, an Asset Manager in NCR's Office of Portfolio Management provided some technical clarifications, which we incorporated into the report where appropriate.

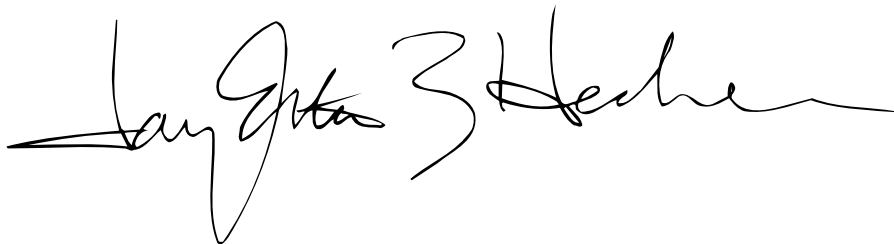
Scope and Methodology

To address the three objectives, we interviewed (1) USDA officials responsible for the space management of USDA's buildings and the modernization of the South Building and (2) cognizant officials from the Forest Service. We reviewed information and documentation provided by these officials on current and planned future space utilization of the South Building, the operations housed in the Sidney Yates Building, and changes in the projected occupancy level for the modernized South Building. In addition, we toured the South and Sidney Yates buildings to observe use and conditions of the buildings. We also interviewed

GSA officials on the service team that is responsible for the USDA buildings to obtain information on its responsibilities, the Sidney Yates Building, and the steps to be taken in reassigning government-owned buildings. We reviewed USDA's September 1991 strategic plan "Meeting the Future Housing Needs in the Washington Metropolitan Area" and other documents related to USDA space issues and relevant appropriation acts. We did not independently verify the number of USDA employees or the reported square footage of the buildings. We performed our work from June to September 2000 in accordance with generally accepted government auditing standards.

We are sending copies of this letter to Representatives C. W. Bill Young, David Obey, Joe Skeen, Marcy Kaptur, Ralph Regula, and Norman D. Dicks; and to Senators Ted Stevens, Robert C. Byrd, Thad Cochran, Herb Kohl, and Slade Gorton in their capacities as Chairmen or Ranking Minority Members of House and Senate Committees and Subcommittees. We are also sending copies to the Honorable Dan Glickman, Secretary of Agriculture; the Honorable David J. Barram, Administrator of GSA; and the Honorable Mike Dombeck, Chief of the Forest Service. We will also make copies available to others upon request.

If you have any questions about this letter, please call me or Ron King on (202) 512-5248. Key contributors to this assignment were Maria Edelstein and Lisa Wright-Solomon.

A handwritten signature in black ink, appearing to read "JayEtta Hecker". The signature is fluid and cursive, with a long horizontal stroke extending to the left from the first letter.

JayEtta Hecker,
Associate Director, Government
Business Operations Issues

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