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REPORT TO THE CONGRESS



BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

Federal Government Use Of U.S. International Exposition Facilities After The Event-- A Continuing Problem

Department of Commerce
General Services Administration

Pavilion facilities constructed for three of the last four international expositions held in the United States were declared surplus to Federal needs after the expositions closed.

GAO believes that amending Public Law 91-269 to correct planning, designing, and funding problems would increase the likelihood of Federal residual use or reduce construction costs where no such use was anticipated.

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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To the President of the Senate and the
Speaker of the House of Representatives

This report describes how Federal residual use of pavilion facilities constructed for international expositions held in the United States could be improved.

Our review was made because three out of the last four pavilion facilities constructed were declared excess to Federal needs.

Our report was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget; the Secretary of Commerce; and the Administrator of General Services.

A handwritten signature in cursive script, reading "Thomas B. Staats".

Comptroller General
of the United States

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ABBREVIATIONS

GAO General Accounting Office
GSA General Services Administration

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

FEDERAL GOVERNMENT USE OF
U.S. INTERNATIONAL EXPOSITION
FACILITIES AFTER THE EVENT--
A CONTINUING PROBLEM
Department of Commerce
General Services Administration

D I G E S T

The Federal Government invested about \$25 million in permanent and semipermanent U.S. pavilion facilities for the four expositions that GAO reviewed. Although these facilities met the needs of the expositions, finding a Federal use for them after the expositions closed was a problem.

In three of the four instances, the Government's use of the facilities was limited to the term of the exposition--averaging about 8 months. Two of the facilities were later turned over to local governments without remuneration; the third facility has remained unused for 10 years.

Early determination of residual use, if any, will allow for better decisionmaking on exposition facility construction. This knowledge would enable architects to design structures optimally suited to eventual disposition. Thus, for example, structures with no anticipated residual use would not incorporate the expensive features that would be required for long-term Federal occupancy.

Public Law 91-269 should be amended as follows:

--The Administrator of General Services should determine at the outset the Federal Government's need for a permanent structure in the area of the exposition.

--When a future Federal need has been identified, the Secretary of Commerce, after consultation with the General Services Administration, should design the pavilion facilities so that both immediate needs of the exposition and residual needs of the Federal Government can be met.

- When a Federal residual use has not been identified or when one has been identified but the pavilion cannot be jointly designed to fit in with the exposition's theme, then a temporary structure should be constructed.
- The legislation could define "temporary" as structures having no practical residual use for the Federal Government and destined for disposal at the conclusion of the exposition.
- The law should stipulate that legislation authorizing future expositions authorize funding not only for the construction of U.S. pavilion facilities, but also for the conversion of those facilities should a specific use be identified.

Both the Department of Commerce and the General Services Administration agreed with GAO's recommendations for amending Public Law 91-269. The General Services Administration said it would welcome the opportunity to assume a more active role in planning and designing pavilion facilities.

Both agencies agreed that, in designing the pavilion, the exhibitory aspects of the exposition should take precedence over residual use. The General Services Administration said more emphasis should be placed on the use of temporary structures having high salvageability.

The Department of Commerce said it would be helpful in locating a Federal tenant if funds could be authorized prior to expositions for the postfair conversion of the pavilion. The General Services Administration orally agreed.

CHAPTER 1

INTRODUCTION

Beginning with the Philadelphia Centennial in 1876 through Expo '74, the Federal Government has participated in about 40 expositions held in the United States at a total investment of approximately \$70.8 million. We reviewed the activities of the four most recent expositions to determine whether U.S. pavilion facilities constructed for these expositions were later used by the Federal Government. The Government's investment in these expositions is shown below.

<u>Exposition</u>	<u>Year</u>	<u>Location</u>	<u>Investment in U.S. pavilion facilities</u>	<u>Total Federal investment</u>
			(millions)	
Century 21	1962	Seattle, Washington	\$ 4.1	\$ 9.9
New York World's Fair	1964-65	Flushing Meadows, New York	10.4	17.0
HemisFair	1968	San Antonio, Texas	3.7	6.8
Expo '74	1974	Spokane, Washington	<u>6.6</u>	<u>11.5</u>
Total			<u>\$24.8</u>	<u>\$45.2</u>

CRITERIA FOR U.S. PARTICIPATION IN INTERNATIONAL EXPOSITIONS

Before 1970, standards and criteria for U.S. participation in expositions were generally set forth in the applicable public law authorizing participation in the particular exposition. However, because of the increasing number of proposals for future expositions and the widely varying circumstances under which international expositions developed, the Congress in Public Law 91-269, dated May 27, 1970, 22 U.S.C. 2801 et seq., established uniform conditions under which the Federal Government would recognize and participate in such expositions.

Under Public Law 91-269, the Secretary of Commerce is authorized to establish and maintain standards, definitions, and criteria to carry out selected purposes of the act. On

March 17, 1971, Commerce issued regulations implementing the responsibilities of the Secretary under the act. These regulations set forth procedures to insure that all requirements of the law pertaining to both the recognition and participation phases are met.

Provisions of Public Law 91-269

The act provides that Federal recognition of an exposition be predicated on a finding by the President that such recognition will be in the national interest. In making this finding, the President must consider among other factors:

- A report by the Secretary of State that the exposition qualifies for consideration of registration under Bureau of International Expositions rules. (The Bureau is an international organization established by the Paris Convention of 1928 to regulate the conduct and scheduling of international expositions to the best advantage of its membership of over 30 nations. Although the United States did not become a member of the Bureau until April 30, 1968, it approved both Century 21 and HemisFair.)
- A report from the Secretary of Commerce as to the purposes of and reasons for the exposition and the extent of financial and other support to be provided by State and local governments and business and community leaders in the area where the exposition is to be held.

Federal participation in an international exposition also requires a specific congressional authorization. The act provides that the President transmit a participation proposal to the Congress. The proposal must include a statement that the exposition has been registered by the Bureau of International Expositions and a plan for Federal participation prepared by the Secretary of Commerce in cooperation with other interested Federal agencies.

In accordance with section 3 of the act, the Secretary, in developing the plan, must consider whether the plan should include the construction of a Federal pavilion and, if so, whether the Government needs a permanent structure in the area of the exposition. If such a need is established, the Secretary may include a recommendation that, as a condition of participation, the Government be deeded a satisfactory site for the Federal pavilion free of liens and with unrestricted rights of disposition. Section 3 also provides that the Secretary of Commerce seek the advice of the Administrator, General Services Administration (GSA), to the extent necessary, in carrying out these provisions.

The authorizing legislation of each of the expositions held in the United States since 1962, except for the New York World's Fair, required that, in designing and constructing buildings and other structures, consideration be given to their utility for governmental needs after the exposition closed.

DEPARTMENT OF COMMERCE AND GSA ROLES
IN DESIGN, CONSTRUCTION, AND DIS-
POSAL OF U.S. PAVILION FACILITIES

As set forth in Public Law 91-269 and in executive and legislative authorization for the four expositions we reviewed, the Secretary of Commerce is principally responsible for U.S. participation in expositions and is authorized to erect such buildings and structures as he deems appropriate. The Conventions and Expositions Division, ^{1/} United States Travel Service, within Commerce, has primary responsibility for designing pavilion facilities. In designing pavilion facilities, priority has been given to the exhibitory aspects of the exposition in keeping with its theme and purposes. While residual use by the Federal Government has been given serious consideration, it has always been a secondary factor.

GSA, at the request of Commerce officials, has been involved in planning and constructing pavilion facilities. GSA officials said that, although they have been consulted regarding the facilities' design, their primary role has been to contract for the construction of the facilities in accordance with Commerce requirements.

The Federal Government has been required to dispose of U.S. pavilion facilities following the close of the expositions generally in accordance with provisions of the Federal Property and Administrative Services Act of 1949. To minimize expenditures for property, section 202(a) of the 1949 act (40 U.S.C. 483) requires GSA to provide for transferring excess property among Federal agencies and to prescribe policies and methods to promote its maximum use. The act defines excess property as property controlled by a Federal agency but not required for its needs.

Section 203(c) of the act (40 U.S.C. 484) authorizes disposal of surplus property by sale, exchange, lease, permit, or transfer for cash, credit, or other property. Surplus property is defined as any excess property not required for the needs of all Federal agencies, as determined by GSA.

^{1/}Changed after our review from the "Office of Expositions and Special Projects." We are referring to it by its former name throughout the report.

Except for the New York World's Fair, authorizing legislation for the other three expositions required the disposition of Federal exposition properties to be in accordance with these provisions.

Commerce, GSA, or both are responsible for the care and handling of the property until it is disposed of. Once Commerce has determined that the property is no longer needed, GSA is required to screen all other Federal agencies over a 30-day period to determine whether there is a continuing Federal need for it. If not, the property is declared surplus to Government needs and is made available by written notice to State, county, and city governments.

Local governments and institutions desiring to acquire the surplus property must respond to GSA's written notice with a definitive statement of intention within 20 days of the date of the notice. If no response is received within the specified period, GSA assumes that no public agency wants the property and proceeds with plans to dispose of it by public sale.

If an eligible public agency or institution agrees to use federally owned surplus real property for a historic monument, wildlife conservation, or public airport, the property may be transferred without monetary consideration. However, the property may be subject to a restriction on its use for a specified time or, in some cases, in perpetuity.

CHAPTER 2

POSTUSE OF U.S. PAVILION

FACILITIES BY THE FEDERAL GOVERNMENT

HAS BEEN MINIMAL

The Federal Government invested about \$25 million in permanent and semipermanent U.S. pavilion facilities in the four expositions we reviewed. Although these facilities have met the exhibitory needs of the expositions, finding a Federal use for them after the expositions closed has been a continuing problem.

As discussed in chapter 1, Public Law 91-269 established conditions under which the Government would recognize and participate in future expositions. Section 3 of this act requires that in planning for the construction of a Federal pavilion, consideration be given to whether the Government needs a permanent structure in the area of the exposition. Expo '74 has been the only international exposition held in the United States since passage of Public Law 91-269. Shortly after this exposition closed, the pavilion facilities were turned over to the City of Spokane at no cost.

We believe that Public Law 91-269 has certain inherent weaknesses regarding residual use of U.S. pavilion facilities. These weaknesses, along with our recommendations for changes in the law, are discussed in chapter 3.

A brief account of the disposition of U.S. pavilion facilities for the three expositions we reviewed (held before passage of Public Law 91-269), along with a more detailed summary of Expo '74, is presented below.

PRIOR EXPOSITIONS

The three above-mentioned expositions were Century 21, the New York World's Fair, and HemisFair. Authorization for U.S. participation in each of these expositions was provided for in separate laws.

The authorizing legislation for both Century 21 and HemisFair required that consideration be given to Federal residual use of pavilion facilities. In the case of Century 21, six buildings were erected for U.S. participation in the exposition. The buildings cost approximately \$4.1 million and were ultimately turned over to the Pacific Science Center Foundation at no cost.

Two buildings, costing about \$3.7 million, were constructed to house the U.S. exposition at HemisFair. Federal residual use was realized when they were converted to a Federal courthouse and a Federal office building. This conversion, however, was not contemplated in preexposition planning; it emerged after the exposition closed.

The authorizing legislation for the New York World's Fair did not specify that Federal residual use of the U.S. pavilion, costing \$10.4 million, be considered. However, when the fair was nearing its close, many public and private organizations were interested in obtaining the pavilion. This interest never materialized because of the high cost of renovating and maintaining the building and the lack of Federal or other funding for such uses. Eventually, \$530,000 was appropriated, in Public Law 94-121, dated October 21, 1975, to demolish the pavilion. It had remained unused for 10 years.

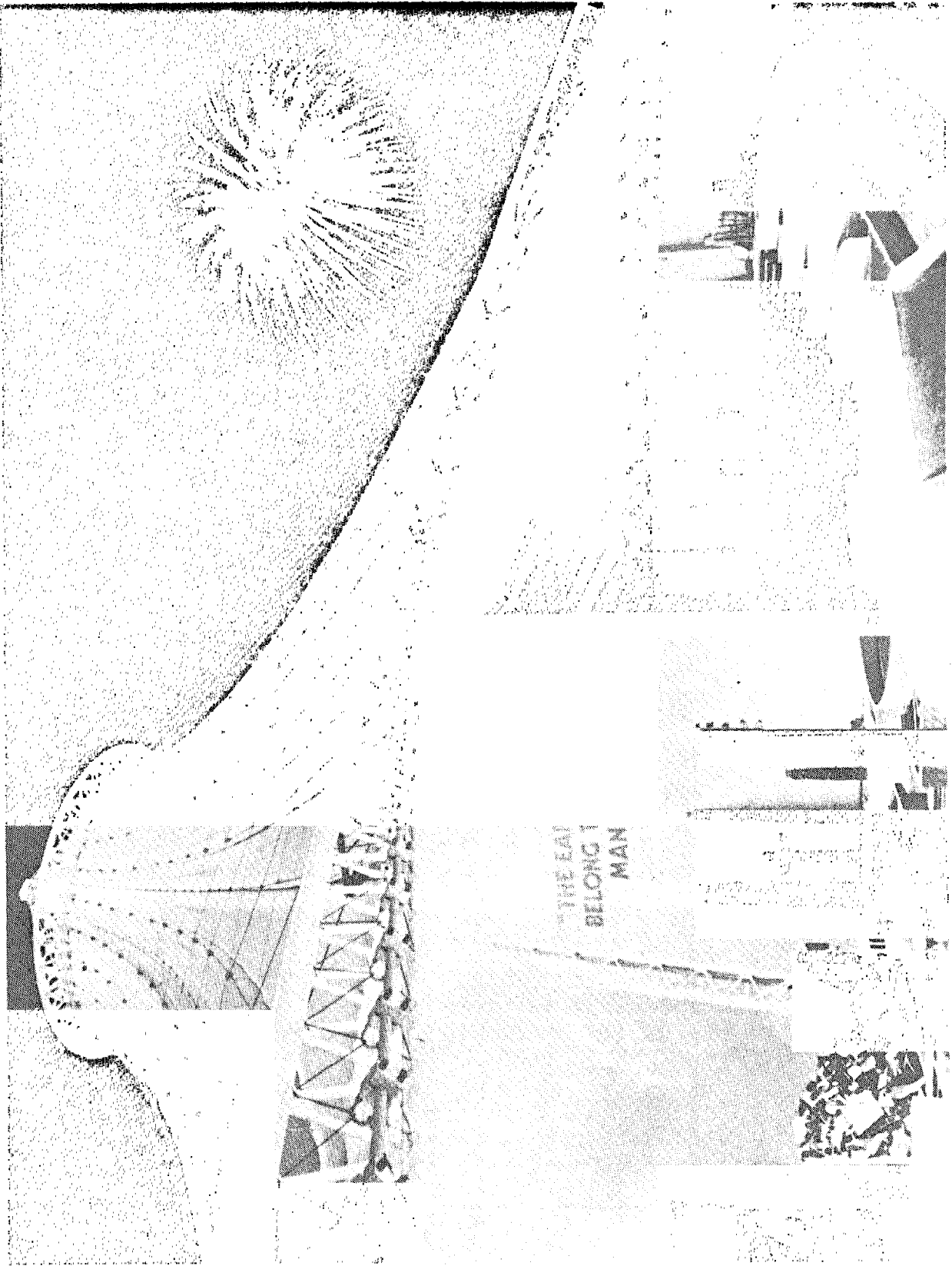
Detailed summaries of these three expositions are contained in appendix I.

EXPO '74--SPOKANE, WASHINGTON

Authorization for U.S. participation in Expo '74 was set forth in Public Law 92-598, dated October 27, 1972. The purposes of the exposition as stated in this law were to:

- "Offer to United States citizens and to people throughout the world a program for the improvement of man's physical environment; demonstrate through improved projects how the resources of air, water, and land can be utilized to man's benefit without pollution; and broaden public understanding of ecology and related sciences;
- "encourage tourist travel in and to the United States, stimulate foreign trade, and promote cultural exchanges; and
- "commemorate the one-hundredth anniversary of the founding of the city of Spokane."

Two buildings--one permanent, the other semipermanent--were constructed for U.S. participation in the exposition. A soft shell canopy covers and connects these buildings which face each other across an open-air courtyard and provide 11,635 square feet of office area and 11,500 square feet of other space. The buildings cost about \$6.6 million.



U.S. PAVILION EXPO '74

According to a study on the Federal role in Expo '74 prepared by the Director, Office of Expositions and Special Projects, Department of Commerce, the provision in section 3 of Public Law 91-269 requiring that Federal residual use of U.S. pavilion facilities be considered, stemmed, in part, from previous experience where the Government had built pavilions which it did not use after the exposition closed. The authorizing legislation for Expo '74 (Public Law 92-598) also provided that, in designing and constructing buildings and other structures, the Secretary of Commerce consult with the Secretary of the Interior, the Administrator of General Services, and the heads of other interested agencies to assure that such activities would be undertaken in a manner which

"* * * preserves and enhances to the greatest extent practicable the utility of the property for governmental purposes, needs, or other benefits following the close of the exposition."

In the initial planning for the postexposition use of the U.S. pavilion facilities, two alternatives were given primary consideration. Using the U.S. pavilion as a visitor information and orientation center to be run by the National Park Service was considered first. The Park Service was reluctant, however, to make commitments for the future operation of such a facility without assurances of future funding.

Commerce, without a definite commitment by the Park Service and anxious to design the U.S. pavilion for Federal residual use, in January 1972 asked GSA to study Federal space needs in the Spokane area. From this study emerged the second alternative.

GSA's study showed that the 100,000 net square feet of space initially contemplated for the U.S. pavilion approximated the projected needs of the Department of the Interior. If Interior used the pavilion it could have consolidated all of its space requirements in the Spokane area at a substantial annual lease cost savings to the Federal Government. The agencies involved in this proposed plan reacted enthusiastically, and Commerce said that it was one of the best planning efforts in advance of a world's fair or world exposition program.

Later, in a March 1972 meeting between Government officials and the president of the Expo '74 corporation, GSA's recommendation was rejected because Expo '74 corporation planners believed that the long-range objective of converting the Expo '74 site into a park might be jeopardized by the presence of a Federal office building. In addition, building owners

leasing space to the Government strongly objected to the plan, which would have deprived them of their Federal tenants.

In the absence of a firm commitment for the residual use of the Federal pavilion, Commerce then considered three possible alternatives. These alternatives, as outlined in the study prepared by the Director, Office of Expositions and Special Projects, were:

- "to construct a building large enough to meet the future needs of Interior, as outlined by GSA and without deference to local entrepreneurs;
- "to put up a totally temporary presentation on a nicely landscaped site. * * *; or
- "to construct a pavilion complex with a much smaller scale permanent building and any other structures or accoutrements needed for the presentation to be temporary. While fewer Federal entities could be accommodated under this arrangement, there was much more flexibility."

The third alternative was selected as being the most satisfactory in terms of ongoing use of the Federal pavilion. Concurrent with the selection of the third alternative, the Park Service, while giving Commerce no further commitment as to the pavilion's future use, did note that the smaller facility was more adaptable if a future plan could be devised to occupy it. At the same time, Commerce was assured that, based on the previous GSA findings, there probably would be many other Interior activities that could use the space. In a June 27, 1972, letter to the Director, Office of Expositions and Special Projects, the Assistant Secretary of the Interior stated that:

"Although we cannot make a firm commitment at this time, the fact that several of the Interior offices are presently located in Spokane suggests a reasonable likelihood that we may be able to occupy this structure."

In November 1973, 5 months before the exposition opened, Interior told GSA that it had no plans for postexposition use of the facilities. Cost considerations, changes in space requirements, and the planned acquisition of a new facility for the Bureau of Mines, caused Interior to cancel its tentative plans for using the facilities after the exposition closed.

On April 16, 1974, shortly after Expo '74 began, Commerce reported that the U.S. pavilion facilities were excess to its needs. In May 1974 GSA canvassed all Federal agencies in the Pacific Northwest to identify any postexposition interest in the property; however, no indications of interest were received within the 30-day canvassing period. At that time, several Federal agencies were occupying about 94,000 square feet of leased space in 11 different locations in Spokane, including about 43,000 square feet of recently constructed space to accommodate Bureau of Mines requirements.

On July 12, 1974, GSA declared the U.S. pavilion facilities surplus to the needs of the Federal agencies and told State and local governments and institutions it was available. On July 16 the City of Spokane expressed an interest in acquiring the property for park purposes and told GSA that it was preparing the required documentation.

Expo '74 closed on November 3, 1974. Negotiations for transferring the property to the City of Spokane were completed on June 7, 1975, with Spokane acquiring the facilities at no cost.

CHAPTER 3

CHANGES IN PUBLIC LAW 91-269

NEEDED TO MAXIMIZE RESIDUAL USE

OF U.S. PAVILION FACILITIES

As cited in chapter 2, legislation authorizing Federal participation in three of the four expositions reviewed required that consideration be given to the residual use of U.S. pavilion facilities. Despite the requirements of past public laws and the enactment of Public Law 91-269, finding a Federal use for the facilities after the expositions has been a continuing problem.

Although Commerce identified potential Federal uses early in exposition planning stages, firm plans were never formalized in coordination with GSA. In the case of Expo '74, considerable advance planning was made for the residual use of the facilities; however, the plans failed to materialize.

We believe that Public Law 91-269 has certain weaknesses regarding residual use of U.S. pavilion facilities. It does not

- give GSA a definite responsibility in planning and constructing U.S. pavilion facilities for future Federal use,
- specify that consideration be given to constructing temporary pavilion facilities, or
- address the issue of authorizing the funds necessary to convert pavilion facilities at the close of the exposition when a residual use has been identified in the preexposition planning.

GSA RESPONSIBILITIES SHOULD BE BROADENED

Executive Order 11512, dated February 27, 1970, directs the Administrator of General Services to initiate and maintain plans and programs for effectively and efficiently acquiring federally owned and leased buildings. GSA has developed nationwide policies, regulations, and standards governing the acquisition, assignment, and use of these buildings.

GSA's responsibility in assigning and reassigning space to Federal agencies is stated in its Federal Property Management Regulations. According to these regulations, GSA and

other Federal agencies shall be governed by the following policies for assigning and reassigning office buildings and other space:

- "(a) Material consideration shall be given to the efficient performance of the missions and programs of the executive agencies and the nature and function of the facilities involved with due regard for the convenience of the public served * * *.
- "(b) In providing general purpose space, GSA will establish and maintain a balance between functional efficiency of agencies served and economy in space use.
- "(c) Maximum use shall be made of existing Government-owned permanent buildings which are adequate or economically adaptable to the space needs of executive agencies." (Underscoring supplied.)

GSA may, after consultation with any executive agency, assign and reassign space after determining that such assignment or reassignment is advantageous to the Government in terms of economy, efficiency, or national security. Such action is in accordance with policies and directives prescribed by the President, including Executive Order 11512 of February 27, 1970 (35 F.R. 3979), under sections 205(a) and 210(e) of the Property and Administrative Services Act of 1949 (40 U.S.C. 486(a) and 490(e)).

Regarding the use of space, the Federal Property Management Regulations provide that:

- "(a) GSA will assign agencies sufficient space to carry out their programs, provided that the need for such space is justified to the satisfaction of GSA;
- "(b) GSA will conduct space inspections and space utilization surveys to promote and enforce efficient utilization, recapturing for release or reassignment any space which the agencies do not justify to the satisfaction of GSA as being required * * *."

In general, the Federal Government has not effectively used space within U.S. pavilion facilities at the close of expositions. In keeping with GSA's legislated role as the Government's construction arm, we believe that there is more of a chance that these facilities would be used if GSA were mandated a more active role in the initial stages of the pre-exposition planning.

Upon selecting a site, GSA should attempt to identify specific Federal space requirements and then work with Commerce in designing a building to meet these requirements as well as those of the exposition. Further, GSA should be directed to prepare, as part of the Secretary of Commerce's plan for U.S. participation, a report addressing specific Federal needs for permanent structures in the exposition area.

CONSIDERATION OF TEMPORARY
U.S. PAVILION FACILITIES

Neither Public Law 91-269 nor the legislation authorizing U.S. participation in the four expositions we reviewed specifically addressed the issue of temporary pavilion facilities. However, there has been congressional reluctance to appropriate money for U.S. pavilion facilities that end up either serving no one or remaining as part of a local civic improvement plan.

In hearings before the Senate Foreign Relations Committee on the bill later enacted as Public Law 91-269, the question was raised whether it might not be desirable to strengthen the bill by making it mandatory that in planning a U.S. pavilion facility a permanent end use be identified. In response to this question, the Director, Office of Expositions and Special Projects, said, in his opinion, the language was sufficiently strong regarding provisions for permanent end use. He further stated that because of the difficulty in securing firm commitments to use a pavilion for a given Federal purpose years in advance, a more restrictive law could preclude the Government from constructing a pavilion.

In the four expositions we reviewed, pavilion facilities were constructed either of a semipermanent or permanent nature; however, with the exception of HemisFair, Federal residual use was not made of the buildings, despite preexposition planning for Federal residual use. We discussed with GSA and Commerce officials the feasibility of designing U.S. pavilion facilities which would be in keeping with the purpose of the exposition, yet be adaptable for future Federal use.

GSA officials pointed out several problems involved in constructing a pavilion facility that would adequately meet such diverse purposes as an exposition and, for example, Federal office space. The problems mentioned included site location, general coordination with Commerce regarding the facility's design, and GSA's inability to secure firm commitments from other agencies without assurances that funds had been authorized and could be expected to be available for converting and operating the facility. It was also pointed out that since environmental impact statements are required

for all permanent structures, consideration must be given to the time, effort, and cost to prepare and gain approval of the statement if it is determined that a permanent structure is needed. Also, since most expositions operate primarily during the summer months, consideration must be given to the total energy requirements necessary for year-round operation of a permanent structure.

The officials explained that if the site selected for the exposition were a considerable distance from a metropolitan area (25 to 35 miles was used for illustration), it is likely that the number of activities for which GSA could assign this space would be limited. They pointed out that Federal activities which can function efficiently at a considerable distance from a metropolitan center are more likely to have specific space requirements--for example, a research center. Such requirements would significantly impair adapting a pavilion facility. They believed, however, for expositions operating within a metropolitan area, the likelihood of adapting the facilities to a future use would be improved.

In discussing the design of pavilion facilities, Commerce officials emphasized that priority must initially be given to the exposition's exhibitory aspects. GSA officials agreed.

When both purposes do not appear feasible, we agree with both Commerce and GSA officials that the pavilion's role as an exhibitory facility should take precedence. To assure that exhibitory purposes are met, Commerce should retain final responsibility for the facility's design, however, because of the permanent nature of the facilities we reviewed and the limited Federal residual use which was made of them, we believe that closer attention should be given to planning and constructing temporary facilities.

CONVERSION OF U.S. PAVILION FACILITIES

According to GSA's Federal Property Management Regulations, maximum use is to be made of existing Government-owned permanent buildings which are adequate or economically adaptable to the Government's space needs.

Alteration of U.S. pavilion facilities is governed by the Public Buildings Act of 1959, as amended (40 U.S.C. 601-615), which provides, in part, that no appropriation may be made to construct, alter, purchase, or acquire any

public building involving an expenditure over \$500,000, unless the public works committees of the Congress approve a prospectus (a proposal document containing information about the need for a project, estimated cost, and other data).

As previously indicated, GSA officials have had problems in securing firm commitments from other Federal agencies to use the facilities at the close of the exposition because neither GSA nor the agency had any assurance that funds would be available for conversion and operation.

The study by the Director, Office of Expositions and Special Projects, on the Federal role in Expo '74 pointed out that it is very difficult in the planning stage to get a firm commitment for postuse of a pavilion. Agencies are reluctant to make such a commitment several years ahead of occupancy without assurances that they will have the necessary funding to pay for any structural modifications and operations. For example, in our review we found that the National Park Service was reluctant to make a firm commitment to operate the U.S. pavilion facilities at Expo '74 as a postexposition visitor information and orientation center without assurance of receiving future funding.

We believe that the likelihood for residual Federal use of U.S. pavilion facilities would be improved if Public Law 91-269 stipulated that future authorizing legislation, in addition to providing for the construction of U.S. pavilion facilities, also authorize funds for converting those facilities should a specific use be identified.

CONCLUSIONS

Federal residual use of U.S. pavilion facilities was made in only one of the four expositions we reviewed. We believe that amending Public Law 91-269 to correct planning, designing, and funding problems identified in this report would increase the likelihood of Federal residual use.

RECOMMENDATION FOR CONSIDERATION BY THE CONGRESS

To maximize the residual use of U.S. pavilion facilities or minimize Federal expenditures for the facilities, the Congress should amend section 3(c) of Public Law 91-269 as follows--delete all of section 3(c) after the first sentence and insert in lieu thereof:

"In developing such a plan, the Secretary shall give due consideration to whether or not the plan should include the construction of a Federal pavilion.

Should the Secretary determine that a Federal pavilion is desirable, the type of structure (permanent or temporary) shall then be determined by the Administrator of the General Services Administration; Provided that, any determination by the Administrator that a permanent structure is required shall be fully documented and identify the Federal need to be served by such permanent structure.

"(1) When the Administrator determines that a need exists for a permanent structure in the area of the exposition, the Secretary after consultation with the Administrator shall design the pavilion so that both the exposition and residual needs of the Government are met. If the structure cannot be designed to meet both the exposition and residual needs of the Government, the exposition needs will take precedence but, notwithstanding any authority vested in the Administrator, no permanent pavilion structure will be constructed. When the design of the pavilion is such that both these needs can be met, there shall be authorized, in addition to any funds authorized for the construction of the pavilion, such funds as are necessary to convert the pavilion to the identified Federal need.

"(2) In the event a need for a permanent structure is established, the Secretary may include in his plan a recommendation that, as a condition of participation, the Government should be deeded a satisfactory site for the Federal pavilion facilities, in fee simple, and free from liens or other encumbrances.

"(3) A temporary structure is any structure having no practical residual use for the Federal Government and destined for disposal at the conclusion of the exposition."

AGENCY COMMENTS

Both Commerce and GSA concurred with our recommendations for amending Public Law 91-269. GSA said it would welcome the opportunity to assume a more active role in planning and designing pavilion facilities.

Both agencies agreed that in designing the pavilion, the exhibitory aspects of the exposition should take precedence over residual use. Because the design of pavilion facilities does not always allow ease of structural adaptation to office

space at an economical cost, GSA said more emphasis should be placed on the use of temporary structures having high salvageability.

Commerce said it would be helpful in locating a Federal tenant if funds could be authorized before the fair for the postfair conversion of the pavilion. GSA officials orally agreed.

CHAPTER 4

SCOPE OF REVIEW

We examined the disposition and Federal residual use of U.S. pavilion facilities constructed for the last four international expositions held in the United States. We also reviewed the efforts of the Department of Commerce and GSA to identify suitable Federal tenants for these facilities after the expositions closed. Our review was made at:

- Department of Commerce, Washington, D.C..
- GSA, Washington, D.C.; and region 10 headquarters, Auburn, Washington.
- Expo '74, Spokane, Washington.
- National Park Service, Pacific Northwest Region, Seattle, Washington.

We examined project file documents, records, and reports of Century 21, the New York World's Fair, HemisFair, and Expo '74 maintained by Commerce, GSA, Department of the Interior, National Park Service, and the Expo '74 corporation. We discussed U.S. pavilion planning and disposition matters with officials of these organizations and observed the U.S. pavilion facilities at Expo '74 in Spokane.

Photographs of U.S. pavilion facilities discussed in this report were supplied by Commerce and GSA.

SUMMARIES OF U.S. EXPOSITIONSCENTURY 21--SEATTLE, WASHINGTON

Provisions for U.S. participation in Century 21 were set forth in Public Law 85-880, approved September 2, 1958, and Public Law 86-250, approved September 9, 1959. The purposes of the exposition as stated in Public Law 85-880 were to:

- "Commemorate the centennial of the physical fixing of the boundary line between the United States of America and Canada,
- "depict the role of science in modern civilization, and
- "exhibit the varied cultures of the nations of the Pacific Rim."

Six buildings were erected for U.S. participation in the exposition. The buildings were on 6-1/2 acres and provided 12,810 square feet of office-type space and 87,585 square feet of exhibit space. The buildings, constructed of prestressed concrete, cost approximately \$4.1 million.

Public Law 86-250 required that the President's designee (Secretary of Commerce was designated), in consultation with GSA, give consideration when determining the design and construction of buildings or structures to their usefulness for governmental purposes after the close of the exposition. According to a memorandum of a conference held on August 17, 1961, by the GSA region 10 commissioner and his staff, it was their opinion that the Congress approved the legislation and expenditure of money for Century 21 partly on the basis of testimony by the Administrator of General Services that there were Federal uses for the buildings after the expositions.

In an August 1961 memorandum to the GSA region 10 commissioner, the GSA regional counsel referred to reports of the Senate Committee on Foreign Relations, the House Committee on Science and Astronautics, and the hearings before the Senate Committee on Appropriations. The GSA regional counsel stated that these reports made the following points:

- "(1) That any building erected shall be designed and constructed with consideration given to its further use for governmental purposes and needs;

"(2) that if it is not feasible to design a building or buildings to serve both as a Federal exhibit and to provide additional Federal Office facilities, that consideration must be given to the erection of a temporary exhibition hall * * *."

We could not determine the extent to which Commerce and GSA considered residual Federal use of the six buildings in their preconstruction planning. However, an October 11, 1962, memorandum to the file from GSA's region 10 administrator indicates that residual Federal use was not the primary consideration. According to that memorandum:

"The buildings and other facilities were designed and constructed primarily to accommodate the Federal Science Exhibit during the Seattle World's Fair. The nature of the design limits use of the structures to exhibition purposes unless extensive alterations are made to change their basic characteristics.

"Inasmuch as these buildings were designed to accommodate special exhibits, they have an extremely limited market largely, if not entirely, limited to underwritten, nonprofit use. Because of the special structural features used in the design and construction, the facilities cannot be used to house regular amusement activities such as circuses, theater, movies, musicals, etc. Also, high operating costs are considered prohibitive for commercial use."

Shortly before Century 21 closed, GSA undertook a lengthy study to determine the economic feasibility of converting the buildings to Federal office space. According to a GSA regional official, this study ultimately concluded that such a conversion was not economically feasible and that, based on the design of the buildings, the best use was as exhibit space.

After the exposition closed, GSA issued an interim permit to the Pacific Science Center Foundation to use the property for science exhibits at a fee of \$1 a year. Although the fee was minimal, the permit, granted for interim use of the property, relieved the Government of the expense for the property's protection and maintenance, estimated by GSA at the close of the exposition to be \$146,500 a year.



U.S. PAVILION CENTURY 21

In October 1963 GSA entered into an interim-use lease with the City of Seattle which subleased the property to the Pacific Science Center Foundation so that building and ground maintenance costs would be absorbed by the city. Until 1974 this property was sublet to the foundation at a fee of \$1 a year.

On October 26, 1974, the Government transferred ownership of the property, valued at about \$7 million, to the Pacific Science Center Foundation without monetary consideration, with the stipulation that the foundation carry on its educational functions for the next 30 years.

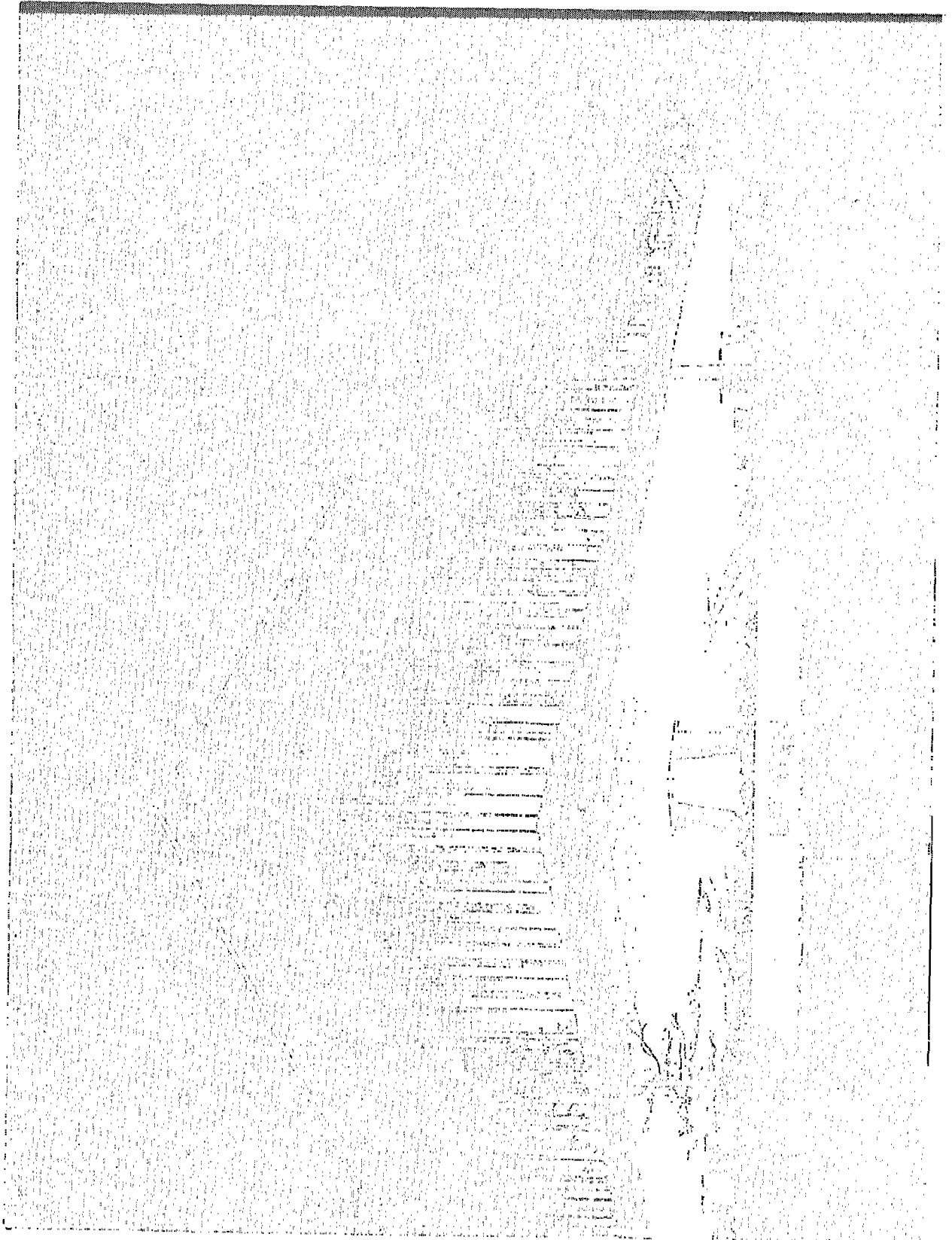
NEW YORK WORLD'S FAIR--
FLUSHING MEADOWS, NEW YORK

Federal participation in the New York World's Fair was authorized by Executive Order 11014, dated April 17, 1962, under general authority of the Mutual Educational and Cultural Exchange Act of 1961, Public Law 87-256, section 102(a)(3). The Executive order delegated to the Secretary of Commerce the functions regarding U.S. participation in the World's Fair. To provide for U.S. participation, \$17 million was appropriated in Public Law 87-545, dated July 25, 1962.

The general purpose of international fairs and expositions, as outlined in Public Law 87-256, is to improve and strengthen the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges. In keeping with this purpose, a theme, "challenge to greatness," was suggested by a citizens advisory committee appointed by the Secretary of Commerce. The committee recommended that the United States exhibit invite interest

"* * * not in our achievements but in the spirit which leads to them * * *. Helping visitors to see and understand our challenges, our responsibilities, our dedication, would provide a more accurate and meaningful excursion into the character of a nation that serves as a model for freedom * * *."

The pavilion for U.S. participation at the World's Fair consists of a concrete based structure with steel floor beams and steel trusses. The wall panels are double prefabricated with outside fiberglass walls. The pavilion stands 20 feet above the ground on a circular 4-1/2-acre site. Giant pylons anchor the building at four points and visitor access to inside areas during the fair was accomplished by crossing open bridges from outside courts. The inside areas are on two



U.S. PAVILION NEW YORK'S WORLD'S FAIR

levels, each having 63,148 square feet of usable space with an additional 6,710 square feet of space suitable for shops, storage, etc., on and below ground level. The cost to construct the pavilion was \$10.4 million.

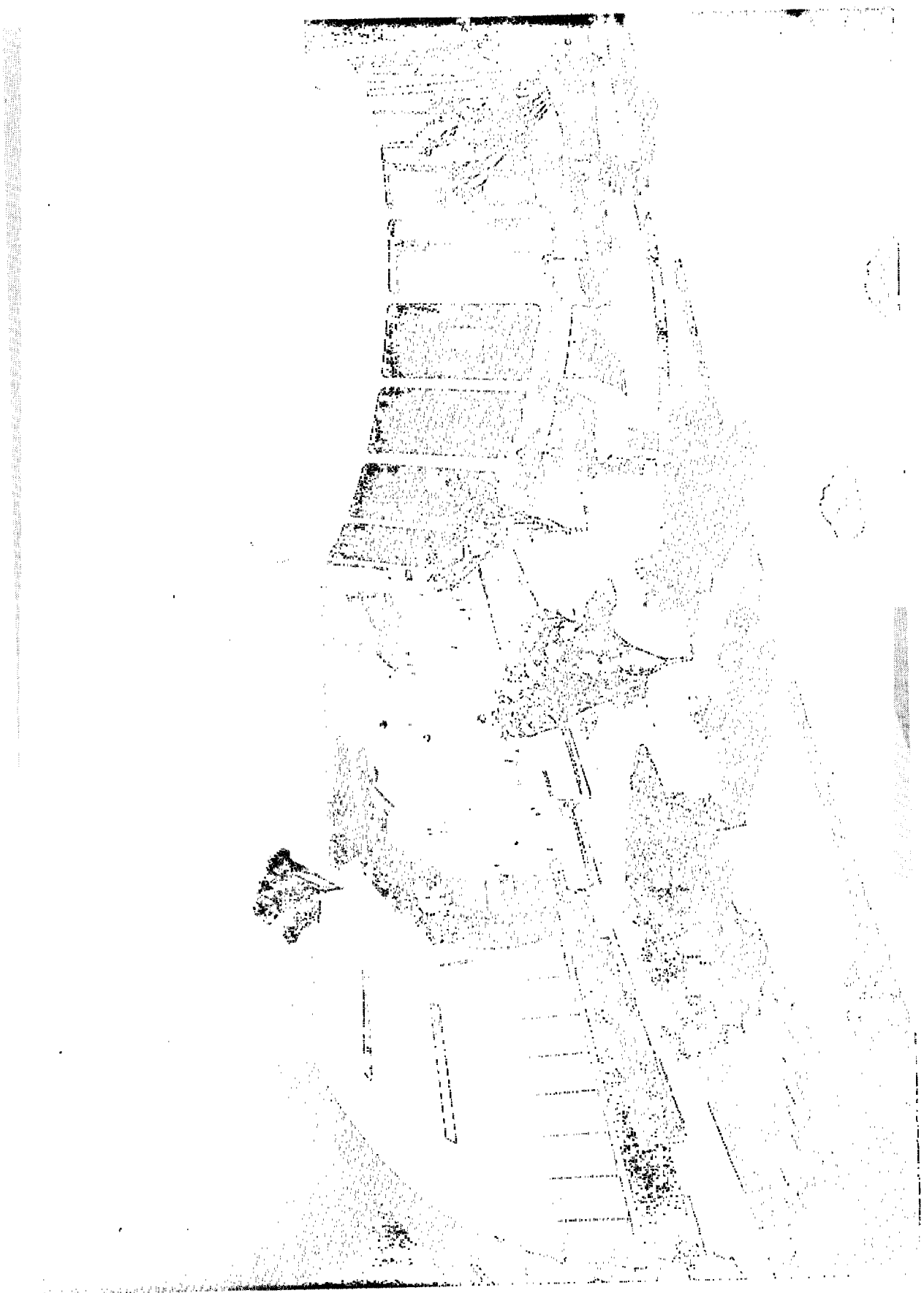
Unlike the legislation which authorized U.S. participation in Century 21, HemisFair, and Expo '74, authorization for U.S. participation in the New York World's Fair did not specify that the Secretary of Commerce consider the need for residual use of the Federal pavilion. The Government's contract with the New York World's Fair Corporation, however, provided for demolition of the Federal pavilion and restoration of the site, unless the New York authorities approved the building for permanent use. Recognizing this situation, the appropriation passed by the Congress for Federal participation in the fair included \$110,000 for such demolition and site restoration. The money, however, was spent in the administration of the Federal pavilion. The New York authorities at first disapproved retention of the building for permanent use. New York State then enacted into law a bill permitting the building, located on park land subject to State jurisdiction, to be used for cultural, educational, or research purposes.

When the fair was nearing its close, and for several years later, many organizations, both public and private, expressed an interest in obtaining the pavilion. None of the plans proposed were implemented because of the high cost of renovating and maintaining the building and the lack of Federal or other funding for such uses. New York City consequently demanded that the Federal Government demolish the building at Federal expense, according to the original agreement. Federal funding was lacking until the passage of Public Law 94-121, dated October 21, 1975, which provided \$530,000 for this purpose.

HEMISFAIR--SAN ANTONIO, TEXAS

Provisions for U.S. participation in the HemisFair 1968 Exposition were set forth in Public Law 89-284, dated October 22, 1965, and in Public Law 89-685, dated October 15, 1966. According to Public Law 89-284 the HemisFair Exposition was to:

- "Honor and display the diversified cultures of Pan America, including the history, art, industry, commerce, and economic development of each of the nations of the Western Hemisphere, their interrelationships and common ties, and the contributions to their development from Europe, Asia, and Africa;



U.S. PAVILION HEMISFAIR

- "encourage, coincident with the Olympic Games being held in Mexico City in 1968, tourist travel in and to the United States, stimulate foreign trade, and promote cultural exchanges; and
- "commemorate the two hundred and fiftieth anniversary of the founding of historic bilingual San Antonio, 'the gateway of Latin America.'"

The U.S. pavilion at HemisFair consisted of a theater building and an exhibit hall providing a total of 55,000 square feet of space. In planning the theater building, convertibility was built into the structure by including sufficient structural strength in the foundation to allow for a multistory office building. The exhibit hall was constructed of a semipermanent nature, requiring only minor structural and architectural modifications to conform with the local building safety codes for permanent buildings. The cost of the two buildings was about \$3.7 million.

Public Law 89-284 provided that before a request could be made for appropriations from the Congress, a study had to be made under the direction of the Secretary of Commerce with the cooperation of other Federal agencies to determine the manner and extent of U.S. participation in HemisFair. An interagency committee consisting of 16 representatives from 14 Federal agencies with an interest in HemisFair was established to assist in the study.

According to the final HemisFair report, dated February 1971, the feasibility study had as one of its major objectives the determination of the best form of Federal participation, with particular attention to developing residual use for any structures for the continuing benefit of the public. Proposals submitted by the various Federal agencies included such possible Federal end uses as an Army headquarters building, a Pan American museum, a post office, and a Federal records center. After considering various proposals, the interagency committee voted to give highest priority to using the pavilion as an educational facility or a general purpose office building. However, according to the HemisFair report, final decision was reserved pending resolution of other questions.

The first question related to a provision of the Federal Surplus Property and Administrative Services Act of 1949, requiring the exhaustion of all Federal requirements before a building can be made available for State or local purposes. Commerce's final report on HemisFair said that no Federal agency, at the time of the feasibility study, was prepared to commit itself to its possible needs in the San Antonio area 3 years in advance.

The second question concerned the problem of whether a good exposition could be staged in a building designed for offices or classrooms and still accommodate a heavy traffic flow and provide the necessary extensive open exhibit space. The report stated that as a result of this problem the initial design plan concentrated on buildings that could easily be converted to any form of residual use.

The preexposition planning of the interagency committee was praised in the final report of the House Foreign Affairs Committee which reviewed Commerce's feasibility study. In this report, the Committee commended Commerce and the interagency working group on the "serious attention given to the question of assuring maximum residual benefit from the U.S. pavilion."

In considering the residual use of the U.S. pavilion after HemisFair closed, one plan developed in the feasibility study showed that the theater could be converted to a multistory office building. Several proposals for converting the theater to an office building were reviewed by Commerce; however, none were accepted. Later, Commerce concluded that top residual use should be for educational purposes.

According to a Commerce memorandum dated December 24, 1969, Commerce formed a team with GSA's Property Management and Disposal Service and the Department of Health, Education, and Welfare to coordinate investigations under the procedures for Government owned surplus property disposal as part of a search for an appropriate educational end use for the property. A number of potential educational uses were identified, but none were accepted.

Early in 1970, Commerce declared the buildings to be excess. Shortly thereafter, GSA made an architectural engineering study to determine the feasibility of using the site for a new Federal courthouse being planned for

San Antonio. On the basis of this study, GSA concluded that the HemisFair site would be best suited for construction of the courthouse and a Federal office building. Thus, despite intensive advance planning for the residual use of U.S. pavilion facilities after the fair, a firm plan for residual use was not developed until about 2 years after the fair closed in October 1968.

According to GSA officials, the theater building was converted to a district Federal courthouse on December 1, 1975, at an estimated cost of about \$4.7 million. The exhibits building conversion was completed August 1, 1974, at a cost of about \$230,000 and is now being used as an office and training facility by the Civil Service Commission. GSA officials said that the Federal office building constructed on the HemisFair site was ready for Federal occupancy about the beginning of July 1975.



UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Administration
Washington, D.C. 20230

MAR 26 1976

Mr. Victor L. Lowe
Director, General Government Division
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Lowe:

This is in reply to your letter of January 7, 1976,
requesting comments on the draft report entitled
"Post-Use of U. S. International Exposition Facilities
by the Federal Government -- A Continuing Problem."

We have reviewed the enclosed comments of the Assistant
Secretary for Tourism and believe they are responsive
to the matters discussed in the report.

Sincerely,

Joseph E. Kasputys
Assistant Secretary
for Administration

Enclosure





UNITED STATES DEPARTMENT OF COMMERCE
 The Assistant Secretary for Tourism
 Washington, D.C. 20230

March 24, 1976

Mr. Victor L. Lowe
 Director, General Government Division
 United States General Accounting Office
 Washington, D.C. 20548

Dear Mr. Lowe:

This is in reply to your letter of January 7 requesting comments on the attached draft report to the Congress on "Post-Use of U.S. International Exposition Facilities by the Federal Government--A Continuing Problem," which has been carefully reviewed.

The residual use of Federal pavilions in international expositions (World Fairs) in the United States by the Federal Government has been of prime concern (but leaving much to be desired) to our expositions staff for the past decade. As an example, considerable advance efforts were made with GSA to establish Federal post-use for the pavilion in Spokane's Expo '74 without success. We believe that it would be helpful to locate a suitable Federal tenant if the Congress would provide funds for the post-fair conversion of the pavilion prior to the fair. The legislation for U.S. participation, however, should not be contingent upon identifying the post-fair tenant because the delays would be fatal to the international fair which usually involves over \$100 million in committed private and public funds. Further, it must be emphasized that the design for United States participation should not be secondary to residual use.

Since the draft was prepared, there has been an organizational adjustment in USTS that would merit a change in the text on page 4 of Chapter 1 as follows:

Change "Office of Expositions and Special Projects" to "Conventions and Expositions Division, USTS."

I would also propose that the following language be inserted in the second paragraph on page 32 of the draft report, following the first sentence.

GAO note: Page number references in this appendix may not correspond to pages in this report.



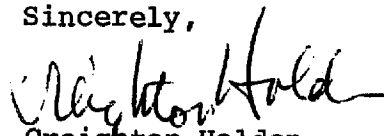
The Government's contract with the New York World's Fair Corporation provided for demolition of the Federal pavilion and restoration of the site, unless the New York authorities approved the building for permanent use. Recognizing this situation, the appropriation passed by the Congress for Federal participation in the Fair included \$110,000 for such demolition and site restoration. The money, however, was spent in the administration of the Federal pavilion. The New York authorities at first disapproved retention of the building for permanent use. New York State then enacted into law a bill permitting the building, located on park land subject to State jurisdiction, to be used for cultural, educational or research purposes.

When the Fair was nearing its close, and for several years subsequent thereto, many organizations, both public and private, expressed an interest in obtaining the pavilion for various purposes. None of the plans proposed were implemented because of the high cost of renovating and maintenance of the building, and the lack of Federal or other funding for such uses. New York City consequently demanded that the Federal Government demolish the building at Federal expense, in accord with the original agreement. Federal funding for this purpose was lacking until the passage of Public Law 94-121, which provided for \$530,000 to do so.

We also feel it advisable to define "temporary" pavilions in the proposed legislation as structures having no determined residual use for the Federal Government and destined for disposal at the conclusion of the project.

In general, I find the proposed GAO amendment to PL 91-269 to be constructive and thoroughly researched. If adopted, it will certainly increase the benefits from funds appropriated for international expositions in the United States.

Sincerely,



Creighton Holden

Attachment

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, D.C. 20405



February 24, 1976

Honorable Elmer B. Staats
Comptroller General of the United States
General Accounting Office
Washington, DC 20548

Dear Mr. Staats:

Thank you for the opportunity to review and comment on your draft report, "Post-Use Of U.S. International Exposition Facilities By The Federal Government - A Continuing Problem," transmitted to this office with Mr. F. J. Shafer's letter of January 7, 1976.

The General Services Administration (GSA) is in accord with the recommendations made in the draft report and would welcome the opportunity to assume a more active role in the planning and design of pavilion facilities. We respectfully submit the following comments and observations for consideration in finalizing your report.

In general, we support the initial expressions of GSA and Department of Commerce officials, as stated in the draft report, that primary design considerations should be aimed at meeting the exhibitory aspects of the exposition and thus feel that designing a facility to meet both the immediate needs of the exposition and the residual needs of the Government may prove impractical. This is because the design of pavilion facilities does not always allow ease of structural adaptation to office space at an economical cost. We, therefore, conclude that more emphasis should be placed on the use of temporary structures having high salvability. In addition to satisfying the needs of an exposition, these facilities could also be designed to benefit the Government by testing new materials, new construction methods, environmental control techniques, solar energy usage, and recycling experiments.

There are two areas which we consider important that were not considered in the draft report; i.e., environmental impact statements and energy conservation. Since environmental impact statements are required for all permanent structures, consideration must be given to the time, effort, and cost to prepare and gain approval of the statement if it is determined that a permanent structure is to be constructed. Also, since most expositions operate primarily during the summer months, consideration must be given to the total energy requirements necessary for year round operation of a permanent structure.

Finally, we again express agreement with your findings and recommendations and wish to assure you that GSA would give the utmost attention to meeting all Federal needs at the least possible cost to the Government regardless of the type of structure approved for design.

We will be glad to supplement the foregoing comments with any additional data you may wish. If you have any questions regarding these comments, please do not hesitate to contact us.

Sincerely,



T. M. CHAMBERS
Acting Administrator

PRINCIPAL OFFICIALS OF THE DEPARTMENT OF
COMMERCE AND GSA RESPONSIBLE FOR
ADMINISTERING ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
SECRETARY OF COMMERCE:		
Elliot L. Richardson	Feb. 1976	Present
Rogers C. B. Morton	May 1975	Feb. 1976
Frederick B. Dent (acting)	Mar. 1975	Apr. 1975
Frederick B. Dent	Feb. 1973	Feb. 1975
Peter G. Peterson	Feb. 1972	Feb. 1973
Maurice H. Stans	Jan. 1969	Feb. 1972
 ASSISTANT SECRETARY FOR TOURISM (note a):		
Creighton Holden	Oct. 1975	Present
David M. Parker	June 1975	Oct. 1975
C. L. Washburn	Apr. 1973	May 1975
James Hamilton (acting)	May 1972	Apr. 1973
C. L. Washburn	Oct. 1970	May 1972
C. L. Washburn	Mar. 1969	Oct. 1970
 ADMINISTRATOR OF GENERAL SERVICES:		
Jack Eckerd	Nov. 1975	Present
Arthur F. Sampson	June 1973	Oct. 1975
Arthur F. Sampson (acting)	June 1972	June 1973
Rod Kreger (acting)	Jan. 1972	June 1972
Robert L. Kunzig	Mar. 1969	Jan. 1972
 COMMISSIONER, PUBLIC BUILDING SERVICE:		
Nicholas A. Panuzio	Oct. 1975	Present
Walter A. Meisen (acting)	Oct. 1974	Oct. 1975
Larry F. Roush	Aug. 1973	Oct. 1974
Larry F. Roush (acting)	Jan. 1973	Aug. 1973
John F. Galuardi (acting)	July 1972	Jan. 1973
Arthur F. Sampson	Mar. 1970	June 1972

a/Position established effective September 21, 1970.
Previously it was Director, United States Travel Service.

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