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REPORT BY THE U.S.

# General Accounting Office

## GSA Is Overly Restrictive In Its Implementation Of The National Urban Policy In Fort Smith, Arkansas

The General Services Administration (GSA) is relocating five Federal agencies to downtown Fort Smith, Arkansas. The national urban policy and applicable regulations require that acquisition of space be in the central business district or fringe area of cities whenever that location affords adequate competition and conforms to the missions and programs of Federal agencies. In the case of Fort Smith:

- The acquisition of the space was restricted to the central business district.
- Only one offer was received on the space procurement.
- The cost to consolidate downtown is about 40 percent more annually than to remain at the existing locations.
- The central business district location may adversely affect the ability of two of the agencies to effectively carry out their missions.

This report was requested by Senator Dale Bumpers.



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LCD-80-26  
DECEMBER 6, 1979

B-196754

The Honorable Dale Bumpers  
United States Senate

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Dear Senator Bumpers:

This is in response to your July 5, 1979, letter requesting us to review the General Services Administration's (GSA's) proposal to relocate five Federal agencies in Fort Smith, Arkansas, to a single location in the downtown business district of the city. Our review covered (1) an evaluation of the rationale and criteria used in making the decision, (2) the procurement procedures followed in acquiring the space, (3) the cost of relocating the five agencies compared to remaining at their present locations, and (4) an evaluation of the accessibility to the public of the proposed location.

We performed our review at GSA's central office and its Fort Worth regional office. We visited Fort Smith and reviewed applicable records of the Central Business Improvement District (CBID). Additionally, we obtained position papers from officials of two agencies included in the consolidation. We also obtained comments on the report from officials of GSA's central office.

The results of our inquiry are summarized below and discussed in detail in the appendixes.

RATIONALE AND CRITERIA  
FOR RELOCATION

On August 31, 1979, GSA entered into a lease to house five Federal agencies in a new State office building located in downtown Fort Smith, Arkansas. GSA initiated the action as part of a national program to consolidate leases and place agencies in downtown locations to further the economic well being of cities. (See app. I for details on the background and rationale for the relocation to downtown Fort Smith.)

GSA's procedures which implement the national program requires that space be acquired in the central business district or fringe area of cities " \* \* \* whenever such area affords adequate competition and conforms to the missions

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and programs of the agencies to be housed." A space acquisition agreement between one of the agencies--the Social Security Administration (SSA)--and GSA requires prior consultation and agreement on the location of that agency's offices.

SSA officials told us they were not involved in the initial planning or review of the potential site locations. As a matter of fact, the proposed central business district site finally selected by GSA was opposed by SSA at all levels on the grounds of inaccessibility to SSA clients. SSA did not officially agree until February 1979 to provide a suggested space layout, along with a request for parking spaces.

Local SSA and Internal Revenue Service officials in Fort Smith remain strongly opposed to moving downtown for the following reasons:

- Parking spaces are difficult to obtain within a reasonable walking distance from the downtown location. This will be a hardship for one-third of the SSA clients who are disabled or handicapped.
- Downtown Fort Smith is highly congested with traffic. Thus, it is unsafe for SSA clients who are elderly, disabled, or handicapped.
- Relocating downtown will remove SSA and Internal Revenue Service offices farther from the population centers they service. Therefore, the clients of these agencies will be required to travel a greater distance at more cost to do business with the Federal Government.

On July 30, 1979, we issued a report (LCD-79-315) to Senator Charles McC. Mathias, Jr., on the national urban policy. We noted that in implementing the President's national urban policy, GSA

- follows a policy of relocating Federal activities to cities' central business areas, regardless of whether the cities have been identified as distressed, and
- competes with private industry to acquire expensive and scarce office space in central city areas.

We concluded that greater progress could be expected in achieving the goals of the national urban policy if GSA's implementation was targeted to the distressed cities.

During this review, we discussed GSA's overall implementation of the national urban policy with headquarters officials of SSA and the Internal Revenue Service. These officials voiced strong objections to the way GSA is now implementing the urban policy. We were provided 14 examples which Social Security officials believe show that GSA has not adequately considered cost or the adverse effect relocation to a central business district will have on the agency's mission. They believe GSA's draft regulations exceed the intent of the national urban policy, especially in terms of the impact on Government programs.

Existing regulations do not include criteria on the cost effectiveness of relocating agencies to the central part of cities. Therefore, GSA decisions on locating agencies do not consider how much the Government may have to pay to relocate an agency's activities to the central business district, over other viable locations, to meet the purposes of the national urban policy. GSA is now revising its national urban policy implementing regulations.

#### PROCUREMENT PROCEDURES FOLLOWED

GSA's leasing policy requires that competition be obtained to the maximum extent practicable among suitable available locations meeting minimum Government requirements. Offering all qualified individuals an equal opportunity to compete helps to minimize favoritism and provides greater assurance that acceptable space is obtained at the most economical rental.

The GSA Fort Worth regional office provided the owners (CBID) of the building GSA finally leased key information on the space requirements before the advertisement was placed in the newspaper and solicitation for offers were sent out to three other potential offerors. The information included a description of procedures GSA would follow in acquiring the space, data on how the space would be utilized, and an itinerary of the procurement action. The other potential offerors were not provided like information. Therefore, CBID had up to 9 months to develop and prepare a response to the anticipated solicitation for offers.

GSA had determined that no existing buildings within the central business district area could provide sufficient space to meet the consolidated space requirements. Therefore, newly constructed space was sought. GSA found only four sites in the central business district available on which a building could be constructed. A GSA official told us that it is

normal practice to allow 90 days for potential offerors to respond to solicitations for new construction space. In this instance, the potential offerors were initially allowed 28 days to respond to the solicitation, although an addendum to the solicitation extended the period for receiving offers an additional 30 days.

We were told that the preliminary plans and specifications of one potential offeror were reviewed and approved by a GSA official. The GSA official indicated to the potential offeror that the proposed space met all the solicitation conditions. The potential offeror told us that the offer was not submitted because a CBID representative said the deal was "sewed up" and the new State office building would be good for the community.

The GSA regional office requested and received a waiver of a required preaward contract clearance by GSA's central office. All leasing contracts exceeding \$1 million over a 10-year period require prior review and approval by GSA's central office. The approval is based on the review of the procurement procedures followed and the regional office rationale for making the award. The GSA central office was told that "a critical point developed that could have caused the owners [CBID] of the proposed building to face bankruptcy \* \* \* ." On August 31, 1979, GSA signed a lease for the space owned by the CBID. (See app. II for more details on the procurement procedures GSA followed to acquire space in Fort Smith.)

Although GSA's policy and procedures stress the importance of competitive negotiations, frequently competition is limited on lease awards. In 1978 we reported on the need for GSA to obtain competition on acquiring office space (LCD-77-354). A review of 65 lease awards and 43 follow-on lease actions showed that GSA negotiated with only one offeror on 55 percent of the new lease awards and 95 percent of the follow-on leases. The negotiated rent exceeded the appraised fair annual rent in 33 percent of new lease awards and 20 percent of the follow-on lease actions involving only one offeror. We recommended in that report that GSA ensure competition was obtained to the maximum extent practicable for new leases and follow-on leases. GSA stated that emphasis would be placed on management reviews to ensure adherence to prescribed procedures.

### COST COMPARISON ANALYSIS

Prior to making its decision, GSA had not prepared a cost analysis of relocating the five agencies. Subsequently, at your request, GSA made a cost comparison of two alternatives. On August 31, 1979, GSA reported that the cost to relocate downtown would be about 10 percent more, or about \$130,262 annually, compared to \$120,347 if the agencies remained at their present locations. Since the estimated annual cost of both alternatives was fairly close, the Administrator informed you that the Fort Worth regional office was given the authorization to proceed with final negotiations for the consolidated space.

Our review indicates the cost to consolidate downtown is about 40 percent more, or about \$148,262 annually, compared to \$105,010 if the agencies remain at their present locations. (See app. III.)

### ACCESSIBILITY OF DOWNTOWN LOCATION

The five agencies will be less accessible to the public in their new downtown location compared to their present locations. There is no public transportation in Fort Smith and the parking in downtown Fort Smith is a major problem. Currently, the agencies that serve the public are located in suburban shopping centers that provide ample parking.

Agency clients who were questioned said they preferred the present suburban locations. The downtown location could create a hardship for aged or handicapped clients because of the lack of public transportation and insufficient parking. GSA is taking steps to obtain a parking facility for SSA clients. (See app. IV.)

### CONCLUSIONS

Working closely with one property owner in planning for space for Federal agencies may give that owner an advantage over other property owners in satisfying GSA's space requirements. Others may be discouraged from making an offer, thus reducing the competition available. In this case, as in other situations we have reported on in the past, we believe these close relationships reduced GSA's opportunity to obtain suitable space at the lowest possible cost.

GSA needs to improve the criteria it uses in deciding where Federal agencies should be located by requiring a cost comparison of various location possibilities. The question

that arises is how much more should the U.S. Government be willing to pay to relocate an agency's activities to the central business area, over other viable alternatives, to meet the thrust of the national urban policy. Then, in arriving at a decision on the location of an agency, GSA personnel should use this cost information along with the other factors now being considered.

When implementing existing criteria on where Federal agencies should be located, GSA personnel need to more carefully consider the impact a location has on the ability of an agency to carry out its mission.

#### RECOMMENDATIONS TO THE ADMINISTRATOR OF GENERAL SERVICES

As we have recommended in the past, we again recommend that GSA take steps to ensure that it obtains competition to the maximum extent practicable in acquiring office space.

We also recommend that the Administrator ensure that GSA's revised space management regulations include criteria on the comparative cost effectiveness of relocating Federal agencies to central business areas or other alternatives which can satisfy the agencies' missions.

Further, we recommend that the Administrator ensure that existing relocation criteria be more closely complied with so that a relocation does not adversely affect an agency's ability to carry out its mission.

#### AGENCY COMMENTS

We discussed the contents of this report with GSA's Acting Commissioner of the Space Management Division and another GSA official. These officials made the following comments.

#### Procurement procedures

GSA central office officials said adequate attempts to obtain competition were made in the lease award in Fort Smith, although only one offer was received. We believe, however, that GSA's close relationship with one offeror over a period of about 3 years may have been responsible for other potential offerors not making offers.

Cost analysis

GSA officials believe our cost analysis should also have shown the cost of relocating the five agencies to a suburban location as another alternative to relocating to the central business district. Further, GSA officials stated such a comparison is more in line with meeting the national policy objectives of combining leases and relocating agencies to the central business areas of cities. While we agree with this opinion, our objective was to evaluate GSA's cost analysis which had been provided to you. The GSA analysis compared the cost of relocating the five Federal agencies to the downtown location with the cost of having the agencies remain at their present locations.

Impact on agencies' missions

GSA officials stated they are required to carry out the overall policies of the legislative and executive branches of the U.S. Government. However, in some instances, Federal agencies view GSA space management decisions in myopic terms and, therefore, are unwilling to comply with these decisions. GSA recognizes acquiring space in downtown Fort Smith will create problems for employees and clients of Federal agencies. But GSA feels that it will meet the objectives of the national programs of combining leases and the national urban policy. In our opinion, the decision to relocate Federal agencies to downtown Fort Smith was made without sufficient regard to the effect the action would have on the agencies. We believe it is extremely important that GSA evaluate the possible adverse effect on Federal agency operations before making space acquisition decisions.

GSA's regulations

GSA is currently revising its regulations implementing the national urban policy along the lines of the recommendations contained in this report.

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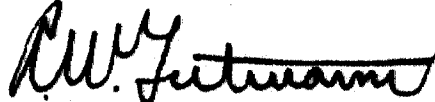
As arranged with your office, this report will be available upon request to the general public. We are sending copies to the Chairmen, House Committee on Government Operations, Senate Committee on Governmental Affairs, and House and Senate Committees on Appropriations; the Administrator of General Services; the Director, Office of Management and Budget; the Secretary of Health, Education, and Welfare; the



B-196754

Secretary of the Treasury; the Director, Arkansas State Building Services; and the Chairman, Fort Smith Central Business Improvement District.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "R. W. Gutmann".

R. W. Gutmann  
Director

BACKGROUND AND RATIONALEFOR RELOCATION

On August 31, 1979, the General Services Administration (GSA) signed a 10-year lease with the Arkansas State Building Services to house five Federal agencies in a new State office building located in the 600 block of Garrison Avenue, Fort Smith, Arkansas. The Central Business Improvement District (CBID) owns the building. Building Services has leased the entire building and has subleased space to GSA. The lease with GSA is for 15,325 net usable square feet of space fully serviced. It calls for GSA to pay \$130,262.50 per year (\$8.50 per sq. ft.). However, the rate is renegotiable at the end of 3, 6, and 9 years.

AGENCIES AFFECTED  
BY RELOCATION

Below is general information on the five agencies GSA will be relocating to downtown Fort Smith.

Social Security Administration district office

The Social Security Administration (SSA) office now occupies 7,088 net usable square feet of first floor space in the Phoenix Village Shopping Center, Towson at Phoenix, Fort Smith. The lease will expire on December 31, 1979. The present rental is \$26,668 per year (\$3.76 per sq. ft.), including janitorial service but excluding utilities. The SSA district office has 40 employees and serves about 100 clients a day.

SSA Bureau of Hearings and Appeals office

The SSA Bureau of Hearings and Appeals office is now housed in 3,624 square feet of second floor space in Central Mall, 5111 Rogers Avenue, Fort Smith. The present rental is \$18,000 per year (\$4.97 per sq. ft.), fully serviced. This office has 14 employees. As many as 30 claimants, attorneys, and witnesses are in the office at any one time.

Internal Revenue Service district office

The Internal Revenue Service district office is housed in 3,160 square feet of ground floor space in the Woodcrest Park Garden offices, 2120-B Waldron Road, Fort Smith. The lease will expire on June 18, 1984, with the Government having 60 days termination rights at any time. The annual rental is

\$13,722.50 (\$4.33 per sq. ft.), fully serviced. This office has 17 employees. An average of 90 taxpayers visit the office daily during the tax season.

#### U.S. Coast Guard

The U.S. Coast Guard is now housed in 485 square feet of second floor space in the Campbell Building, 1318 North B Street. The lease will expire on December 31, 1979. The annual rental is \$1,800 (\$3.71 per sq. ft.), fully serviced. This office is already located in downtown Fort Smith.

#### U.S. Food and Drug Administration

The U.S. Food and Drug Administration is now housed in 367 square feet of ground floor space in the Bedwell Building, North 7th and A Streets, Fort Smith. The lease will expire on December 31, 1979. The annual rental is \$1,015 (\$2.77 per sq. ft.). This office has one employee who performs laboratory tests on food samples.

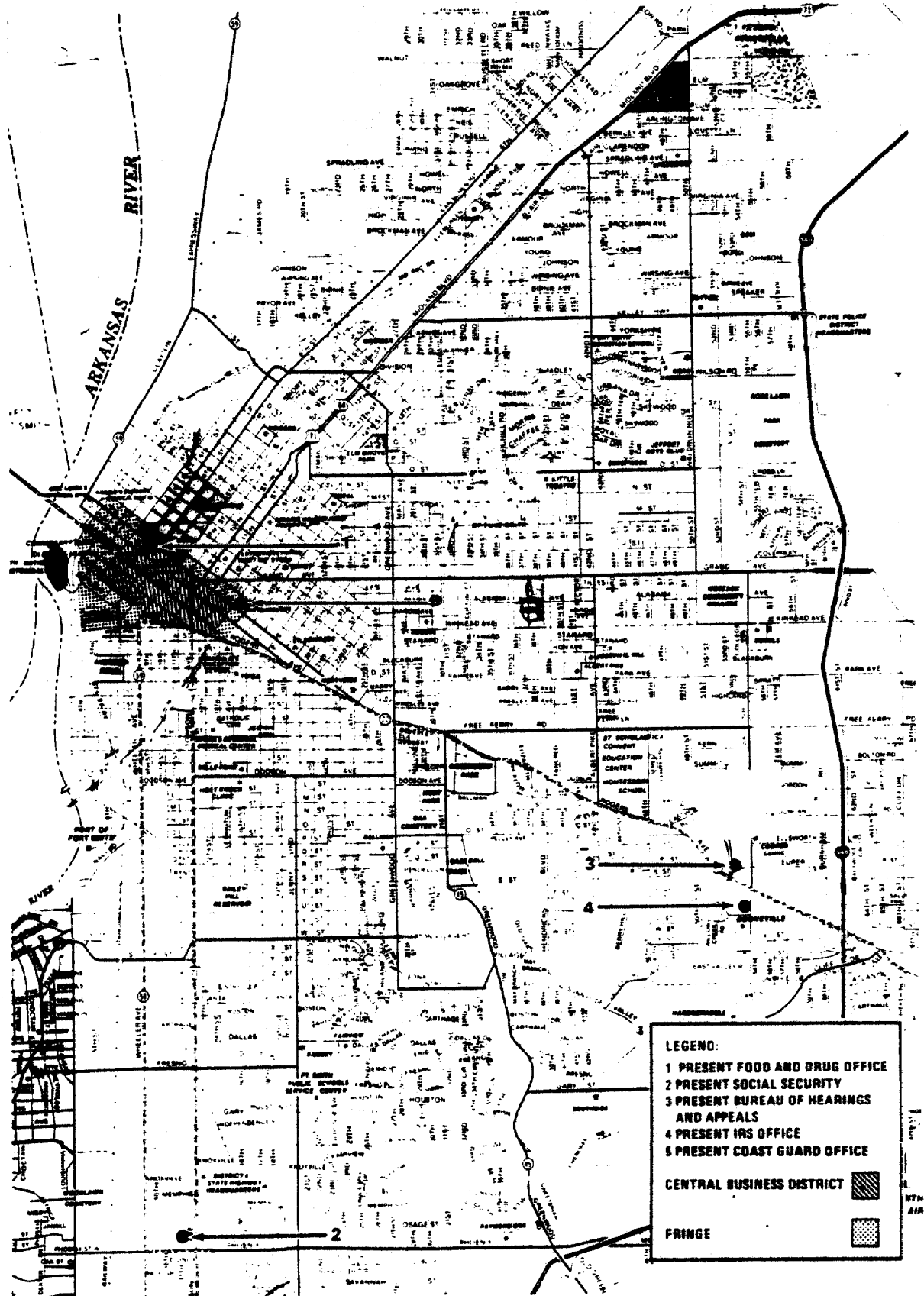
The map on page 3 depicts the present locations of the five agencies and the central business district of Fort Smith.

#### REASONS FOR THE RELOCATION

GSA's rationale for its decision to relocate the five agencies to the downtown Fort Smith location was to comply with the national urban policy set forth in Executive Order 12072 entitled "Federal Space Management."

GSA began the relocation to comply with Executive Order 11512 entitled "Planning, Acquisition, and Management of Federal Space." Executive Order 11512 generally required Federal facilities to be located so that they would have a positive effect on social and economic conditions, help the development and redevelopment of a community, and, at the same time, be accessible to low and moderate income housing.

GSA Federal Property Management Regulations, Amendment D-53, further defined such a location as in the central business district of cities or a fringe area of the central business district. Amendment D-53 states that it is intended "to promulgate a policy restricting the acquisition of space to the central business district and fringe areas, thereof, whenever such area affords adequate competition and conforms to the missions and programs of the agencies to be housed."



**LEGEND:**

- 1 PRESENT FOOD AND DRUG OFFICE
- 2 PRESENT SOCIAL SECURITY
- 3 PRESENT BUREAU OF HEARINGS AND APPEALS
- 4 PRESENT IRS OFFICE
- 5 PRESENT COAST GUARD OFFICE

CENTRAL BUSINESS DISTRICT [diagonal hatching symbol]

FRINGE [dotted pattern symbol]

On August 16, 1978, the President signed Executive Order 12072 which revoked Executive Order 11512. Whereas in Executive Order 11512 the socioeconomic considerations were one factor among several in the evaluation of locations for Federal activities, they are of greater importance in Executive Order 12072. This order, which was prepared to implement the President's urban policy, places more emphasis on the positive impact that the selection of sites for Federal facilities can have on efforts to revitalize the Nation's cities. Thus, the relocation of the agencies to downtown Fort Smith was initiated under one executive order and completed under a superseding executive order.

SEPARATE AGREEMENT FOR  
SOCIAL SECURITY SPACE

GSA and SSA have a separate agreement on the location of Social Security offices. The March 1977 agreement says in part:

- "2. Location in the Community.
  - a. The locations selected for SSA district and branch offices should be as convenient to the visiting public as is economically prudent. Major consideration will be given to selecting locations that are easily accessible to the greatest number of people in the service area by public and private transportation.
  - b. In requesting space, SSA, through the HEW Engineer/Architect will delineate the SSA service area and suggest boundaries for the location of the office. Generally, the district office will be located in the central business district or fringe thereof (see Federal Property Management Regulations 101-17.101-1c and 101-18.100(g)). In communities where branch offices are required, and in the larger metropolitan areas where additional district offices are designated, these offices will be centrally located within the area specifically served. Where leased space will be acquired, delineated areas must be broad enough to insure adequate competition among potential lessors."

Appendix IV discusses the problems of accessibility of the agencies in the downtown Fort Smith location.

SUMMARY OF PROCUREMENT PROCEDURES FOLLOWED

The following chronology of key events shows the relationship of GSA and other participants in the procurement action.

July 1976. The GSA Commissioner, Public Buildings Service (PBS), Fort Worth regional office, met with city representatives of Fort Smith concerning their interest in having a new Federal building in Fort Smith. The representatives were advised that there was insufficient justification for Federal construction. At this meeting, it was noted the Federal agencies in Fort Smith were satisfied with and had enough space.

CBID officials subsequently met with the PBS Commissioner to discuss procedures GSA follows in meeting space requirements. Further, the PBS Commissioner indicated a Presidential order required that preference be given to locating Federal agencies in the central business district.

July 15, 1977. The manager of CBID called the PBS Commissioner about the State office building project. According to a CBID memorandum of the call, the PBS Commissioner stated GSA could lease through a State building service, but GSA needed to review the space requirements in Fort Smith. The PBS Commissioner indicated the idea of combining State and Federal agencies under one roof was a good one and GSA would try to work out something to accomplish this objective.

July 19, 1977. GSA's regional office received a determination from Fort Smith city planners on what made up the central business district and fringe area of Fort Smith. This determination was requested to meet the requirement of Executive Order 11512 and Federal Property Management Regulations, Amendment D-53.

July 20, 1977. The manager of CBID wrote the PBS Commissioner stating the State of Arkansas had committed for a two-story State office building in the middle of downtown Fort Smith. Further, the Commissioner was told the building could be expanded to meet the space requirements of Federal agencies. CBID suggested the PBS Commissioner visit Fort Smith for further discussion on CBID plans.

August 8, 1977. GSA advertised for office space located within the Fort Smith city limits. Preference was given to locations in the central business district.

August 23, 1977. The PBS Commissioner and other GSA officials met with CBID officials in Fort Smith. The results of the discussions are summarized below.

- GSA officials stated the current GSA leases in Fort Smith would expire around July 1, 1979. This was also the expected completion date for the State office building.
- The PBS Commissioner explained two ways that GSA could meet its space requirements: (1) Collect now the requirements for all the agencies and solicit competitive offers for space. These competitive offers are not sealed bids and are negotiable and the dollar price is not the major factor in final consideration. (2) Wait until a comfortable time before the expiration of the leases and ask CBID to make a proposal. The PBS Commissioner recommended GSA follow the first course of action. It was indicated GSA would begin to collect the space requirements for all the agencies and enter into competitive bidding for the space.
- Another GSA official asked whether CBID had responded to the August 8, 1977, advertisement for space. CBID said it had not. The GSA official recommended that CBID respond to the advertisement to show an intent and interest in meeting GSA space requirements.
- CBID was told that GSA would advertise for the consolidated space in about January 1978.

September 2, 1977. A GSA letter thanked CBID for its response to the August 8, 1977, advertisement for space. This letter also stated the requirement had been canceled because the space was no longer needed. The same letter was also sent to 12 others who had responded to the space advertisement.

October 5, 1977. A CBID report indicated GSA was sending specifications on plans for a parking lot and was working on building specifications for its possible move to space in the new State office building. Three other potential offerors, who along with CBID were later to be sent a solicitation for offer by GSA, were not provided like information.

November 11, 1977. The GSA building manager of Fort Smith discussed fire protection requirements for the new State office building with CBID officials. The other three potential offerors were not provided like information.

December 14, 1977. At the PBS Commissioner's request, a GSA official informed CBID of the itinerary (dates GSA would advertise for space, send out the solicitation for offers, etc.) planned for acquiring space in Fort Smith. According to a GSA official who relayed this information to CBID, no other potential offerors were provided similar information. The other three potential offerors were not provided an itinerary of the procurement action until they received the solicitation for offers on February 13, 1978--61 days after CBID was provided the information.

January 3, 1978. GSA advertised for 12,950 net usable square feet of space. Unlike the August 8, 1977, advertisement, which was for space located within the Fort Smith city limits, the January 3, 1978, advertisement was limited to space located in the central business district.

GSA's regional office officials told us the January 3, 1978, advertisement specified the central business district, whereas the August 8, 1977, advertisement only gave preference to the central business district because the original 1970 executive order was not as emphatic as the 1978 executive order for meeting space requirements in the central business districts of cities. Further, the officials said the competition was limited to the central business district in Fort Smith to comply with the President's national urban policy of 1978.

This explanation does not seem to be a valid basis for the decision. The President's urban policy was not announced until March 27, 1978, 3 months after the January 1978 advertisement for space. In addition, the applicable Executive Order 12072--Federal space management and relocation of Federal activities to central business areas--was not signed until August 16, 1978, 6 months after the January 1978 advertisement for space.

February 13, 1978. GSA issued a solicitation for offers (No. R7 19N-78) to lease 14,505 net usable square feet of office space. The solicitation was sent to four potential offerors who were considered responsive to the January 3, 1978, advertisement.



The solicitation required that (1) occupancy would be no earlier than December 1, 1979, and no later than December 21, 1979, (2) offers must be received in Fort Worth, Texas, no later than 2 p.m., local time, March 13, 1979, (3) there would be no public opening and all offers received would be kept strictly confidential until a contract had been awarded, and (4) the Government would have a minimum of 60 days from the last day offers were received to make an award.

February 15, 1978. The four potential offerors were sent an addendum to the February 13, 1978, solicitation for offers. The addendum provided energy conservation design criteria and all four potential offerors acknowledged receipt of it.

April 11, 1978. The Arkansas State Office Building Services (which was to lease the building from CBID) responded to the solicitation. It offered to provide 14,505 square feet of fully serviced office space at \$9.10 per square foot per year.

July 6, 1979. The Regional Office Administrator made a "finding and determination" that it would be impracticable to attempt to secure further competition. It was determined to be in the best interest of the Government to negotiate sole source with the only offeror, pursuant to the law (41 U.S.C. 252 (c)(10)). We were told a finding and determination to negotiate sole source was legally required because GSA had failed to accept the offer from the Arkansas State Building services prior to the offer's expiration.

August 31, 1979. The PBS Commissioner (acting as the Regional Office Administrator) requested and received a waiver of a required preaward contract clearance by GSA's central office. On the same date, GSA signed a lease with the Arkansas State Building Services for 15,325 square feet of fully serviced office space at \$8.50 per square foot per year.

COST ANALYSIS

On August 31, 1979, the Administrator of General Services responded to Senator Dale Bumpers' May 23, 1979, inquiry concerning the lease consolidation project in Fort Smith, Arkansas. GSA's letter stated that if the five Federal agencies moved to the downtown location it would cost about 10 percent more (\$130,300 compared to \$120,350) annually than if the agencies remained at their present locations. On August 31, 1979, the regional office signed a 10-year lease with the Arkansas State Building Services for the consolidated space in downtown Fort Smith.

Our analysis indicates the cost to relocate the five agencies to the downtown location will cost about 40 percent more (\$148,262 compared to \$105,010) annually than if the agencies remain at their present locations. Our estimate includes certain costs not included in GSA's estimate. Further, GSA's estimate understated certain costs and did not properly treat certain one-time and recurring costs. The GSA official responsible for the original GSA cost study admitted it was deficient and worked closely with us in the preparation of our cost analysis. This official essentially agreed with the premises and cost figures used in the cost analysis that follows.

Cost Comparison Analysis of  
Remaining in Present Locations Versus  
Proposed Consolidated Location

	Estimated future annual <u>cost</u>	Estimated future one-time <u>cost</u>
Present locations:		
Space rental	\$105,010	\$ -
Renovations	<u>-</u>	<u>25,007</u>
Total	<u>105,010</u>	<u>25,007</u>
Consolidated location:		
Space rental	130,262	-
Parking	18,000	-
Initial space alterations	-	35,347
Moving cost	-	7,362
Phone installation	<u>-</u>	<u>1,680</u>
Total	<u>148,262</u>	<u>44,389</u>
Estimated additional cost	<u>\$ 43,252</u>	<u>\$19,382</u>

ACCESSIBILITY OF THE PROPOSED  
CENTRAL BUSINESS DISTRICT LOCATION

During a period of 5 working days in August 1979, SSA clients were surveyed on the accessibility of the two current SSA offices and the proposed central business district location of Fort Smith. Employees of the SSA offices conducted the survey at our request. We tested the survey results and we are satisfied they are reasonably accurate. A range of 418 to 428 SSA clients responded to the survey questions and the results are summarized below.

- Thirty-six percent are handicapped or disabled. Thus, the convenience of parking or public transportation is important for many SSA clients.
- One hundred percent arrived at the current locations by car.
- Ninety-six percent would normally travel by car to the downtown area of Fort Smith.
- Eighty-one percent said it would be more convenient to conduct their business with SSA at the current locations than it would be in the central business district. Many of the SSA clients felt parking was a major problem in downtown Fort Smith.

During the period of the survey, the Senior Citizen Area Transit (SCAT) bus service ran every hour and stopped at the two current SSA locations. However, only 19 percent of the 420 clients were familiar with this bus service. According to a SCAT official, the passenger rate had decreased by about 35 percent from 1978 to 1979. Because of the decrease in demand and financial problems, the Fort Smith Board of Directors rejected by a unanimous vote on August 21, 1979, SCAT's plea for additional funding. The city's current goal is set on a possible subsidy for taxi cabs which would transport Fort Smith's elderly and handicapped.

Nevertheless, public transportation in Fort Smith is not a viable alternative for most SSA clients. About 60 percent of the clients live outside the city limits of Fort Smith--many as far as 60 miles. It appears that many of the SSA clients will continue to rely on automobiles to transport them to the SSA offices in the downtown location. Therefore,

parking in the vicinity of the new location seems to be an important factor bearing on the ability of the agencies to effectively serve their clients.

The new State office building in downtown Fort Smith will generate a substantial increase in demand for parking. Throughout the year about 215 State and Federal employees and 295 private citizens will require parking accommodations on a daily basis. During the initial part of the tax season (Jan.-Feb.), as many as 750 employees and clients of the State and Federal agencies will require daily parking accommodations.

Our analysis of the existing and proposed parking in downtown Fort Smith indicates the increased parking demand will not be met in the immediate future. This analysis of parking facilities is for a two-block area around the new State office building which is in line with a March 1977 agreement between GSA and SSA on acquisition of space. The agreement states in part that parking facilities for visitors should normally be available within two blocks of the SSA office. Below are our comments on existing and proposed parking within a two-block area of the new State office building.

- There are 1,008 private and rental spaces. According to a city official and a private parking lot manager, these spaces are primarily leased on a monthly basis. Currently, there is close to a 100-percent utilization rate for these spaces. Thus, the spaces are not available to meet the increased parking demand.
- There are two municipal parking lots. The upper lot (274 spaces) closest to the new State office building is almost always fully occupied. The lower lot (128 spaces) further away is only partly utilized. A CBID official told us that plans are underway to have municipal employees use the lower lot so that spaces can be made available in the upper lot to meet the increased demand resulting from the new State office building.
- The use of 395 metered spaces in the area is quite high. On August 24, 1979, at 10:30 a.m. a tour of the area showed only a limited number of open (about 1 in 10) metered spaces. The utilization rate would probably increase during other parts of the year because August is a vacation month.

--Three parking lots (128 spaces) are under construction. Two of the lots (96 spaces) are ready for paving. The manager of the three lots stated these spaces would be available only on a monthly lease basis. Thus, clients of State and Federal agencies will be unable to park in these lots. The lot manager also said State employees are already requesting spaces in these lots.

--Plans are underway to construct three parking lots (178 spaces). All of the lots have buildings on them. The largest lot (116 spaces) has a utilized building on one-third of the lot. We were told the present owner may be unwilling to sell this property for use as a parking lot. Further, the firm that wants to construct parking lots on the three lots will not do so unless the lease rate goes to \$20 to \$30 a month per parking space. Currently, the city leases space at \$5.50 and \$6.50 per month. Private lots are leased at about \$10 a month per space.

It is well known that parking is a major problem in downtown Fort Smith. In September 1978 the local sheriff and collector requested taxpayers to pay their taxes by mail because of the downtown parking problem. In November 1978 the Fort Smith Southwest Times Record quoted employees of a local bank: "Everyone realizes that parking downtown is a problem, especially if you work in the vicinity." In August 1979 the sheriff and collector placed a tax notice in this newspaper which in part said, "Parking at the Court-house [across the street from the new State office building] is a nightmare. We urge you to mail payments."

On September 24, 1979, GSA advertised for a parking area in downtown Fort Smith to allow parking for 56 vehicles. This procurement is to meet the minimum parking demand of SSA clients who will visit the Arkansas State office building. The lease will cover a period of 3 to 5 years.

Estimated Increased Parking  
Demand in the Central Business District

<u>Agency</u>	<u>Employees</u>	<u>Visitors per day</u>	<u>Total</u>
Various State agencies	144	118	262
SSA district office (note a)	40	100	140
SSA Bureau of Hearings and Appeals (note b)	14	30	44
Internal Revenue Service (note c)	<u>17</u>	<u>47</u>	<u>64</u>
Total	<u>215</u>	<u>295</u>	<u>510</u>

a/The SSA district office official in charge stated that during peak periods up to 35 clients are in the office at any one time.

b/The SSA Bureau of Hearings and Appeals official in charge stated as many as 30 claimants, attorneys, and witnesses are in the office at any one time.

c/The Internal Revenue officer in charge stated that during the tax season (Dec. 15 - May 1) an average of 90 taxpayers visit the office daily. Further, during the Jan.-Feb. period, as many as 300 taxpayers visit the Fort Smith office daily. This official estimated 20 taxpayers or others visit the office daily during the nontax season.

Visitor Parking Spaces  
Required for Proposed Downtown Location

<u>Affected agency</u>	<u>Optimum</u>	<u>Minimum</u>
SSA district office:		
Clients	45	30
Traveling employees	5	5
SSA Bureau of Hearings and Appeals	25	15
Internal Revenue Service	<u>60</u>	<u>25</u>
Total	<u>135</u>	<u>75</u>

Note: In 1976 the Arkansas State Building Services recommended 185 to 200 parking spaces for employees and clients of State agencies.

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