2011

FACILITIES INVENTORY SYSTEM REPORT

RCW 43.82.150

OFFICE OF FINANCIAL MANAGEMENT
FACILITIES OVERSIGHT SECTION
OCTOBER 2011



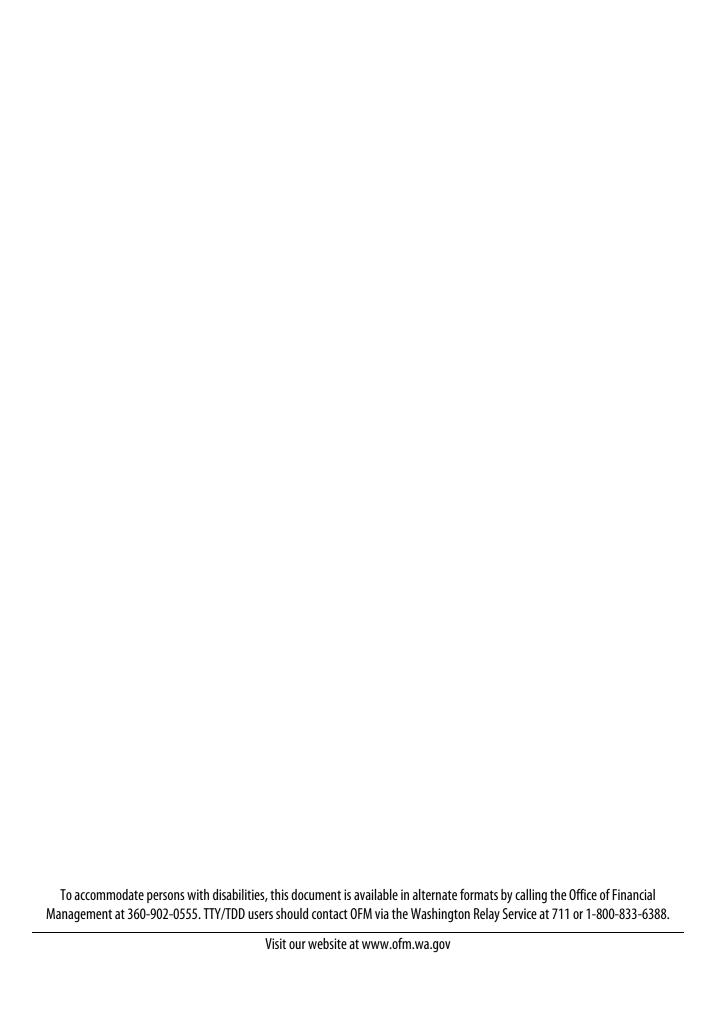


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OVERVIEW

REQUIREMENT AND PURPOSE

The state of Washington owns and leases facilities to house state agencies. This represents a significant financial investment by the citizens of Washington. To monitor this investment, the Office of Financial Management (OFM) has responsibility for the completion of the Facilities Inventory System (FIS), as prescribed in RCW 43.82.150.

This document is a summary of the data reported by agencies in the 2011 FIS.

2011 FACILITIES INVENTORY SYSTEM RESULTS

The 2011 Facility Inventory documents all facilities owned and leased by state agencies. The reporting period for this data was summer 2011. The 2011 FIS Instructions define a facility as a constructed asset with a permanent roof for the shelter of persons, animals, plants, materials or equipment.

During this period, state agencies reported approximately 93,947,000 square feet of owned facilities and 14,297,000 square feet of leased facilities that totaled 108,244,000 square feet. Eighty-six agencies reported facilities¹. State facilities were located in every county, with Columbia and Wahkiakum counties having the fewest (21each) and King County having the most (1,400). Each legislative district contained state facilities.

The 2011 Facility Inventory continues to demonstrate the state's commitment to creating a more complete inventory of state facilities. This is illustrated by several key changes:

- The identification and reporting of current facilities that were not previously reported by agencies.
- The identification and removal of duplicate records and records for assets that do not meet the definition of a facility.

However, it is still unlikely that the 2011 Facility Inventory is a complete record of all facilities. The report is dependent on complete and accurate data from agencies. The limited tools and resources available to complete the Facility Inventory make this summary difficult and time consuming to compile and validate.

The 2011 inventory, including the facility owner, location, type, condition and size of each facility, and other pertinent facility data, is available at http://www.ofm.wa.gov/budget/fis.asp.

The Facility Inventory will be used to inform the development of the 2013–19 Six-Year Facilities Plan and conduct other analyses related to facilities as necessary.

¹145 agencies were contacted. Of that group, 32 had no facilities and 27 were not required to report, per <u>RCW 15.04.200</u>. This yielded 86 reporting agencies.

SUMMARY OF OWNED INVENTORY

Thirty-three agencies reported 9,054 owned facilities that totaled 93,947,000 square feet. Based on square footage, the owned inventory represents 87 percent of the state's total facilities inventory.

OWNED SQUARE FOOTAGE BY FUNCTIONAL AREA

The table below depicts the total owned square feet by functional area². Higher education represented the largest single functional area, with 2,583 owned facilities that totaled 61,573,000 square feet, or 66.5 percent of all state-owned facilities.

Owned Square Feet by Functional Areas		
Higher Education	61,573,066	
Human Services	14,496,595	
General Government	7,589,144	
Natural Resources	5,666,481	
Transportation 3,885,056		
Education-Other	737,116	

OWNED SQUARE FOOTAGE BY AGENCY SIZE

The table below depicts six agency size categories and the associated square footage for each category.

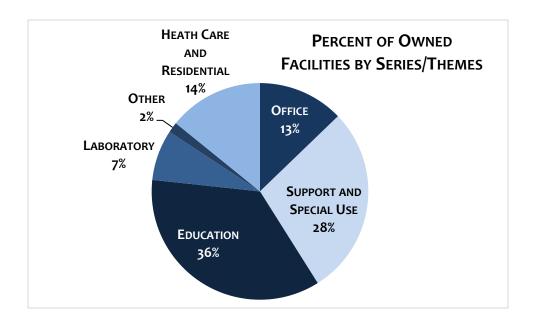
Agencies by Size						
Square Feet	10,000 – 99,000	100,000 – 999,000	1,000,000- 1,999,000	2,000,000- 2,999,000	3,000,000- 9,999,000	Over 10,000,000
Total square footage	335,417	3952,741	4,602,184	5,560,295	28,710,137	50,786,684
Number of agencies	7	12	3	2	6	3

The two largest agency size categories represent 85 percent of the total owned square footage. The category for agencies with more than 10 million square feet comprises, in order of size, the University of Washington, the State Board for Community and Technical Colleges, and Washington State University. The next largest category comprises, in order of size, the departments of Corrections, Social and Health Services, General Administration, and Western Washington University and State Parks and Recreation Commission.

² Functional areas are based on the SAAM definitions, at http://www.ofm.wa.gov/policy/default.asp.

SPACE TYPES OF OWNED FACILITIES

Space type, or primary use, was organized into 10 series/themes, which were further refined into 31 categories. FIS defines primary use as more than 60 percent of the facility space dedicated to one category. The pie chart below depicts the percentage of facilities by series/themes.



All owned space types series/themes were reported in 2011.

LOCATION OF OWNED FACILITIES

All 39 counties have state-owned facilities, ranging from eight in Columbia County to 1,078 in King County. King, Pierce, Whitman, Spokane and Thurston counties have the highest density of facilities, with each having more than 390 facilities. The two out-of-state facilities are owned by the University of Washington.

Number of Facilities	Number of Counties
Over 500	3
300-499	3
200–299	14
100–199	7
50-99	5
1–49	6
Out of State	2

AGE AND CONDITION OF OWNED FACILITIES

The state owns 83 buildings constructed before 1900 and 281 constructed between 1901 and 1910, for a total of 364 facilities older than 100 years. The oldest reported owned building was constructed in 1845. At the other end of the spectrum, 21 facilities were constructed in 2011. The inventory includes 539 owned facilities that have no known construction date.

Agencies were asked to rank their facility conditions on a scale of 1 Superior, 2 Adequate, 3 Fair, 4 Limited Functionality and 5 Marginal Functionality. The FIS instructions list nine categories to evaluate each facility:

- Facility Support and Response Time facility staff support and response time to request.
- Satisfaction agency satisfaction with facility
- Preventive vs. Corrective Maintenance to what degree is maintenance addressed in a preventive or corrective manner
- Maintenance response to preventive, reactive and emergency maintenance
- Interior aesthetic assessment of interior finishes
- Exterior aesthetic assessment of exterior finishes
- Lighting aesthetic assessment of lighting
- Service Efficiency service and maintenance call evaluation
- Building Systems Reliability evaluation of system breakdowns and repairs

Facility Condition Rating	Percent of Facilities
1 Superior	26.3%
2 Adequate	31.1%
3 Fair	21.4%
4 Limited Functionality	4.1%
5 Marginal Functionality	2.1%
Not assessed	15.1%

SUMMARY OF LEASED INVENTORY

Eighty-six agencies reported 1,295 leased facilities that totaled 14,296,817 square feet. Based on square footage, the leased inventory represents 13 percent of the total state facilities inventory.

LEASED SQUARE FOOTAGE BY FUNCTIONAL AREA

The table below depicts the total leased square feet by functional area³. Human services represented the largest single functional area, with 330 leased facilities that totaled 5,342,858 square feet, or 37.4 percent of all state-leased facilities. General government represents the second largest functional area with 437 leased facilities that totaled 4,472,861 square feet, or 31.3 percent of all state-leased facilities.

Total Square Feet		
Human Services	5,342,858	
General Government	4,472,861	
Higher Education	2,914,167	
Transportation	966,949	
Natural Resources	545,854	
Education	50,128	

MAJOR AGENCY USERS OF LEASED FACILITIES

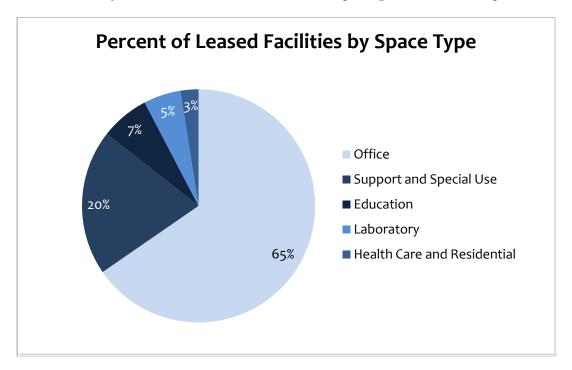
The top three leasing agencies are the Washington State Liquor Control Board, the University of Washington, and the Department of Social and Health Services. Each agency has more than 140 leases. The Military Department, State Board for Community and Technical Colleges, and the Department of Corrections each have more than 70 leases. The table below depicts these data.

Number of Leases	Number of Agencies
100+	4
75-99	1
50-75	3
10-49	13
2–9	33
1	25

³ Functional areas are based on SAAM definitions, at http://www.ofm.wa.gov/policy/default.asp.

SPACE TYPES OF LEASED FACILITIES

Space types were organized into 10 series/themes, which were further refined into 31 categories. FIS defines primary use as more than 60 percent of the space dedicated to one category. Lease space types are dominated by the office series/themes. A chart depicting series/themes is provided below.



Three lease space types series/themes were not reported in 2011: study, general and unclassified.

LOCATION OF LEASED FACILITIES

Thirty-seven counties have state-leased facilities. Three counties have more than 100 leased facilities: King County has 322, Thurston County has 202 and Spokane Counties has 112. Three counties have 50 to 99; three counties have 25 to 49; 14 counties have 10 to 24; eight counties have five to nine and six counties have 1 to 5. Wahkiakum and Garfield counties have no state-leased facilities.

AGE AND CONDITION OF LEASED FACILITIES

The oldest continuously occupied leased facility is situated on lands owned by the U.S. Air Force and leased to the Military Department. It was first occupied in 1943.

There are eight leased facilities that the state first occupied in the 1950s, three in the '60s, 24 in the '70s, 79 in the '80s and 359 in the '90s.

Agencies were asked to rank their leased facilities on the same 1 to 5 condition scale used on state-owned facilities. The large percentage of unassessed leases points to the need for additional facility assessments. This information is depicted in the table on the following page.

Facility Condition Rating	Percent of Facilities
1 Superior	9.4%
2 Adequate	56.5%
3 Fair	5. 6%
4 Limited Functionality	1.1%
5 Marginal Functionality	0.2%
Not assessed	27.1%

DESCRIPTION OF REAL ESTATE AUTHORITY

Three primary real estate authorities are defined in FIS, based on state laws:⁴ the Department of General Administration; state agencies leasing through statutory exemption or delegation from General Administration; and higher education. Of the 1,295 leased facilities reported, 663 (51.2 percent) were General Administration leases, 408 (31.5 percent) were agency leases, and 224 (17.3 percent) were higher education leases.

COSTS OF LEASED FACILITIES (RENT AND SERVICES)

Rent

Based on the data supplied in FIS, the state pays approximately \$225,689,000 annually for leases. This cost represents contractual obligations only and does not include services paid outside of the lease. The table below depicts the annual lease cost by real estate authority, the total square feet leased and the average cost per square.

Real Estate Authority	Annual Rent	Total Square Feet	Average Cost Per Square Foot
General Administration	\$167,603,258.76	9,801,991	\$17.10
State Agency	\$22,705,700.88	2,461,501	\$9.22
Higher Education	\$35,379,690.34	2,033,325	\$17.40

While this is a very high-level summary of lease costs, variance in the average cost per square foot may be due to quality of space, type of space leased, length of lease term, or other terms and conditions negotiated in the lease.

Services

Information provided in the services paid section of the Facilities Inventory was inconclusive due to the lack of reported data. Four agencies reported no such data. Of the 13 services paid categories, all categories were blank or not applicable a minimum of 10 percent of the time, with recycling being blank or not applicable 62.9 percent of the time.

⁴ See <u>RCW 43.82.010 (13)</u> and <u>RCW 28B.10.020</u> for more information.

Even with the lack of data, some generalities can be drawn. Owners typically pay for costs such as assessment, storm water, property taxes and insurance. Lessees pay for energy (natural gas and electricity) costs approximately half of the time and janitorial (including restroom supplies) more than half of the time.

The table below depicts the percentage of each service paid by the state and by the owner.

Services	Percent Paid By State	Percent Paid By Owner	Percent N/A or Blank
Assessment	11.7%	17.4%	70.7%
Bulbs/Tubes	12.4%	77.0%	10.4%
Natural Gas	50.0%	47.6%	2.3%
Electric	65.8%	27.1%	6.9%
Garbage	71.5%	25.9%	2.5%
Insurance	57.4%	39.2%	3.2%
Janitorial	13.3%	77.1%	9.5%
Restroom Supply	72.7%	24.5%	2.6%
Sewer	71.1%	25.2%	3.5%
Storm Water	50.3%	46.1%	3.5%
Property Tax	24.0%	73.2%	2.6%
Water	12.6%	70.6%	16.7%
Recycling/Composting	48.2%	41.9%	9.8%

OTHER KEY LEASE TERMS AND CONDITIONS

In addition to rent and services information, two other key pieces of lease contract information are collected: cancellation clauses and amortized tenant improvements.

Cancellation Clauses

The table below depicts the percentage of leases that include a cancellation clause.

Real Estate Authority	Cancellation Clause	No Cancellation	Not
	Included	Clause	Reported
General Administration	17.8%	32.4%	1.0%
State Agency	19.2%	7.6%	4.6%
Higher Education	2.1%	15.0%	0.2%

Amortized Tenant Improvements

Amortized tenant improvements (TIs) are improvements made at the request of the tenant above and beyond the standard improvements made when acquiring a space. This may include additional walls, secured entrances, information technology, electrical requirements or other renovations. An amortized TI includes costs in the lease contract as additional monthly payments to the lessor. These additional monthly payments include interest.

The table below depicts the percentage of leases that report amortized TIs.

Real Estate Authority	Amortized TIs Included	No Amortized TIs
General Administration	5.0%	95.0%
State Agency	1.7%	98.3%
Higher Education	1.9%	98.1%

Of the 1,295 leases documented in FIS, 38 reported having amortized TI costs. The data indicates that in 2005, there was a spike in leases negotiated with amortized TIs, with a total of 17 leases with amortized TIs. Eleven were for the Department of Social and Health Services. The overall average for amortized TIs is four per year. This number drops to three leases with amortized TIs with the removal of 2005 spike; the annual average the past three years has been two TIs.

The use of amortization when paying TIs is generally discouraged by OFM due to the cost of interest required in leased contracts. It has been nearly eliminated as a state practice except for emergencies.

CHANGES IN THE 2011 INVENTORY

In 2011, OFM continued to make improvements to the state's facilities inventory. These include the following:

Unique Facilities Identifier

In 2011, the Unique Facilities Identifier (UFI) number was added to each facility record in the Facilities Inventory. The UFI numbering system was developed using the Enterprise Data Standards Target Governance Framework. OFM, working with 11 stakeholder agencies, developed the UFI data standard. OFM adopted the UFI and the <u>State Enterprise Data Registry</u> endorsed the UFI data standard in 2011.

The UFI data standard provides a powerful tool to track all state facilities and provide location information that could be included in related data systems such as the Human Resource Management System. In addition, the UFI data standard will allow for more robust analysis of state owned and leased space, improved tracking of costs and the ability to track change over time.

Pending the development of a web-based data system for the facilities inventory system, the UFI data will be updated monthly manually using Excel worksheets.

REPORTING CHANGES

Six agencies added or removed more than 10 facilities during 2010: the Military Department (+68), University of Washington (+28), Washington State Patrol (+11), State Board for Community and Technical Colleges (-36), Department of Social and Health Services (-29) and State Parks and Recreation Commission (-18).

The Military Department experienced the most change because Washington Air National Guard facilities were included for the first time in the inventory. The Military Department gained 37 leased (federal license) faculties and 31 owned facilities, for a net increase of 68 facilities totaling 652,000 square feet.

IMPROVEMENTS FOR FUTURE SYSTEM

In September 2008, OFM submitted to the Legislature the <u>Facilities Inventory System Report</u> for improving FIS reporting. That report recommended replacing the current Excel system with an interactive Web-based system. Due to the current economic downturn, the development of a new system was deferred and the 2011 FIS was conducted using the redesigned Excel format in 2009. However, an interactive web-based system would:

- Improve analysis of state resources;
- Provide detailed facility locations to the public via the Internet;
- Improve agency FIS reporting; and
- Improve agency ability to explore co-location opportunities.

QUESTIONS/COMMENTS

For questions about the FIS process, instructions or results, or to provide feedback, contact these OFM staff members:

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APPENDIX: FACILITIES DEMOGRAPHICS BY AGENCY

The following chart is a summary by agency of the total facilities and total square footage (by leased and owned facilities) for all types of facilities. The chart is sorted by the percentage of total inventory which is provided, based on the total square footage.

Agency Name	Number of Owned Facilities	Number of Leased Facilities	Total Number of Facilities	Total Owned Square Footage	Total Leased Square Footage	Total Square Footage	Percent of Total Inventory
University of Washington	552	171	723	19,430,668	1,663,860	21,094,528	19.49%
Community and Technical College System	822	78	900	18,653,222	996,401	19,649,623	18.15%
Washington State University	875	6	881	12,702,794	46,955	12,749,749	11.78%
Department of Corrections	728	71	799	8,172,220	520,575	8,692,795	8.03%
Department of Social and Health Services	515	142	657	5,439,678	2,840,618	8,280,296	7.65%
Department of General Administration	88	4	92	5,404,289	325,095	5,729,384	5.29%
Western Washington University	115	9	124	3,352,150	79,189	3,431,339	3.17%
State Parks and Recreation Commission	2892	17	2909	3,198,525	83,003	3,281,528	3.03%
Department of Transportation	855	36	891	2,844,036	411,178	3,255,214	3.01%
Central Washington University	88	3	91	3,143,275	5,035	3,148,310	2.91%
Military Department	184	116	300	1,758,751	1,296,983	3,055,734	2.82%
Eastern Washington University	70	7	77	2,716,259	30,050	2,746,309	2.54%
The Evergreen State College	60	2	62	1,530,698	37,360	1,568,058	1.45%

Agency Name	Number of Owned Facilities	Number of Leased Facilities	Total Number of Facilities	Total Owned Square Footage	Total Leased Square Footage	Total Square Footage	Percent of Total Inventory
State Convention and Trade Center	673	28	701	1,312,735	130,836	1,443,571	1.33%
Liquor Control Board	1	175	176	221,134	945,725	1,166,859	1.08%
Department of Agriculture	257	34	291	740,956	106,063	847,019	0.78%
Washington State Patrol	156	24	180	597,049	177,162	774,211	0.72%
Department of Employment Security	7	58	65	10,008	757,490	767,498	0.71%
Department of Labor and Industries	3	21	24	414,804	321,370	736,174	0.68%
Department of Ecology	9	15	24	404,257	169,411	573,668	0.53%
Department of Veterans' Affairs	44	2	46	533,241	26,448	559,689	0.52%
Department of Health	2	10	12	77,744	454,687	532,431	0.49%
Office of the Attorney General	O	15	15	О	449,683	449,683	0.42%
Department of Licensing	4	60	64	29,167	356,576	385,743	0.36%
Department of Revenue	O	19	19	О	320,745	320,745	0.30%
State Health Care Authority	0	7	7	0	317,992	317,992	0.29%
Washington State Center for Childhood Deafness and Hearing Loss	15	O	15	245,567	O	245,567	0.23%
Office of the Secretary of State	4	5	9	124,022	94,276	218,298	0.20%
Washington State Criminal Justice Training Commission	9	1	10	180,162	2,900	183,062	0.17%

Agency Name	Number of Owned Facilities	Number of Leased Facilities	Total Number of Facilities	Total Owned Square Footage	Total Leased Square Footage	Total Square Footage	Percent of Total Inventory
Washington State Historical Society	3	1	4	181,862	600	182,462	0.17%
State School for the Blind	13	0	13	165,600	О	165,600	0.15%
Eastern Washington State Historical Society	5	O	5	144,087	O	144,087	0.13%
Department of Information Services	o	12	12	О	132,846	132,846	0.12%
Innovate Washington	1	1	2	59,322	39,080	98,402	0.09%
Washington Health Care Facilities Authority	2	1	3	93,550	2,780	96,330	0.09%
Department of Commerce	o	7	7	О	86,549	86,549	0.08%
Board of Industrial Insurance Appeals	0	9	9	0	76,191	76,191	0.07%
Department of Retirement Systems	O	3	3	О	75,647	75,647	0.07%
State Board for Community and Technical Colleges	1	1	2	44,000	27,641	71,641	0.07%
Office of the State Auditor	O	13	13	О	71,613	71,613	0.07%
Administrative Office of the Courts	O	3	3	O	68,227	68,227	0.06%
Department of Personnel	0	4	4	О	61,734	61,734	0.06%
Office of the Insurance Commissioner	0	4	4	0	60,661	60,661	0.06%
Washington State Gambling Commission	O	8	8	O	58,055	58,055	0.05%
State Lottery Commission	0	7	7	0	57,716	57,716	0.05%

Agency Name	Number of Owned Facilities	Number of Leased Facilities	Total Number of Facilities	Total Owned Square Footage	Total Leased Square Footage	Total Square Footage	Percent of Total Inventory
Utilities and Transportation Commission	0	3	3	0	53,334	53,334	0.05%
Department of Financial Institutions	0	3	3	0	50,715	50,715	0.05%
Office of Administrative Hearings	0	7	7	0	45,216	45,216	0.04%
Department of Natural Resources	257	16	273	О	38,779	38,779	0.04%
Office of Financial Management	0	2	2	О	31,902	31,902	0.03%
State Investment Board	0	2	2	О	30,361	30,361	0.03%
Higher Education Coordinating Board	0	2	2	0	27,676	27,676	0.03%
Washington State Housing Finance Commission	0	1	1	О	26,014	26,014	0.02%
Department of Early Learning	0	2	2	O	22,816	22,816	0.02%
Court of Appeals	1	0	1	21,626	O	21,626	0.02%
Department of Services for the Blind	O	7	7	О	15,551	15,551	0.01%
Senate	0	2	2	0	13,800	13,800	0.01%
Public Employment Relations Commission	0	3	3	О	13,212	13,212	0.01%
Superintendent of Public Instruction	0	5	5	О	12,573	12,573	0.01%
Human Rights Commission	0	2	2	O	9,036	9,036	0.01%
Puget Sound Partnership	0	1	1	O	8,500	8,500	0.01%

Agency Name	Number of Owned Facilities	Number of Leased Facilities	Total Number of Facilities	Total Owned Square Footage	Total Leased Square Footage	Total Square Footage	Percent of Total Inventory
Work Force Training and Education Coordinating Board	O	1	1	O	8,168	8,168	0.01%
Washington Traffic Safety Commission	O	1	1	O	8,113	8,113	0.01%
Caseload Forecast Council	O	3	3	O	8,053	8,053	0.01%
Public Disclosure Commission	0	1	1	О	7,682	7,682	0.01%
County Road Administration Board	0	1	1	0	7,349	7,349	0.01%
Environmental and Land Use Hearing Office	0	2	2	0	7,314	7,314	0.01%
Joint Legislative Audit and Review Committee	О	1	1	O	6,904	6,904	0.01%
State Law Library	0	1	1	О	6,663	6,663	0.01%
Washington State Arts Commission	0	1	1	0	5,971	5,971	0.01%
Office of Minority and Women's Business Enterprises	0	1	1	О	5,567	5,567	0.01%
Board of Tax Appeals	О	2	2	O	5,195	5,195	0.00%
Office of Public Defense	0	1	1	О	4,663	4,663	0.00%
Transportation Improvement Board	0	1	1	0	4,632	4,632	0.00%
State Board of Accountancy	0	1	1	0	4,129	4,129	0.00%
Office of the Governor	0	2	2	0	4,014	4,014	0.00%
Washington Pollution Liability Insurance Program	0	1	1	О	3,048	3,048	0.00%

Agency Name	Number of Owned Facilities	Number of Leased Facilities	Total Number of Facilities	Total Owned Square Footage	Total Leased Square Footage	Total Square Footage	Percent of Total Inventory
Columbia River Gorge Commission	О	1	1	0	2,900	2,900	0.00%
Life Sciences Discovery Fund Authority	0	1	1	0	2,529	2,529	0.00%
Washington Horse Racing Commission	0	1	1	0	2,093	2,093	0.00%
Law Enforcement Officers' and Fire Fighters' Board	0	1	1	0	1,998	1,998	0.00%
Transportation Commission	O	1	1	0	1,939	1,939	0.00%
Board of Volunteer Firefighters and Reserve Officers	O	1	1	O	1,402	1,402	0.00%