

Senate Local Government Committee
PO Box 200500
Helena, MT 59620

10 February 2005

Regards: Senate Bill 300 revising laws on state agency lease of office space

Dear Chairman Mangan and committee members:

For the record my name is Fred Easy and I live in Helena. I'm a retired National Guard Bureau auditor. I am also a member of the Association of Government Accountants; Certified Government Financial Manager. I oppose this bill because it appears to be an unnecessary solution in search of a problem. It is also a preference bill which needs to be avoided. I oppose creating a disparity that awards lease of office space to downtown landlords. This would create a situation of pitting landlords against landlords; taxpayer against taxpayer. This bill is unnecessary and proposes to stick taxpayers with thousands of dollars in wasteful spending.

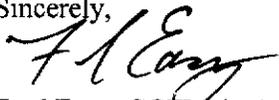
I asked the General Services Division for information about office space leases. I found out the State leases about 199,000 square feet in the Helena central business district out of a total of 463,156 square feet that the State leases in Helena; at an average of \$10.47 a square foot as compared to an average of \$9.68 in other cities. For illustration purposes consider that the capitol complex contains about 1,000,000 square feet. As such the landlords of Helena receive a significant economic benefit in leasing office space to the State without needing a wasteful 2% plus-up in rent. A plus-up is unnecessary.

This bill will require the State to determine impact on traffic flow and transportation. A requirement that creates unnecessary costs for the taxpayers of this State. Otherwise the General Service Division will need to issue a Request for Proposal to hire a consulting engineer to determine traffic and transportation impacts whenever it proposes to lease space. This requirement by itself would cost the State taxpayer many additional thousands of dollars to conduct engineering evaluations which are not needed.

Apparently Senator Toole believes there is a process problem. One option for Senator Toole to consider is requesting that this committee request the Legislative Auditor to review the situation and submit a report on their findings to the committee. As a taxpayer and a retired auditor, I oppose placing new or wasteful requirement on government administration without an audit that validates and verifies specific problems exist that require the legislature to take corrective action.

In conclusion, please table this bill.

Sincerely,



Fred Easy, CGFM (retired)
PO Box 34
Helena, MT 59624