



LEGISLATIVE FISCAL OFFICE
Streamlining Commission Analysis

Recommendation No. **RECOMMENDATION 29**

Streamlining Draft **AGMARTIN 9**

Date: January 20, 2010 2:33 PM	Author:
Dept./Agy.: Environmental Quality	
Subject: DEQ lease less expensive space from Dept of Agriculture	Analyst: Robert E. Hosse

Department of Environmental Quality lease office and warehouse space at reduced rates from the Department of Agriculture.

EXPENDITURES	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	(\$67,350)	(\$67,350)	(\$67,350)	(\$67,350)	(\$67,350)	(\$336,750)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$67,350)	(\$67,350)	(\$67,350)	(\$67,350)	(\$67,350)	(\$336,750)

REVENUES	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$155,797	\$155,797	\$155,797	\$155,797	\$155,797	\$778,985
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$155,797	\$155,797	\$155,797	\$155,797	\$155,797	\$778,985

EXPENDITURE EXPLANATION

Based on preliminary negotiations between DEQ and the Department of Agriculture, \$67,350 or approximately 30% of the current cost to house 15 positions and provide warehouse space could be saved each year by leasing available space from the Department of Agriculture. Currently, DEQ houses 10 environmental scientist positions at Summa Court (between Essen and Bluebonnet) in 4,117 square feet of leased space at \$10.44 per sq/ft. These positions analyze criteria pollutants relative to ozone. DEQ leases 1,409 square feet at roughly \$40.47 per sq/ft to house 5 chemist positions in air toxics. As well, DEQ leases 16,626 square feet of warehouse space in Port Allen at approximately \$7.41 per sq/ft to store boats and surveillance equipment. In aggregate, the Department of Agriculture has initially proposed the use of 17,644 available square feet of space by DEQ at \$8.83 per sq/ft., which would represent a savings to DEQ of \$67,350 per year ((4,117 sq. ft. X \$10.44) + (1,409 sq. ft. X \$40.47 rounded) + (16,626 sq. ft. X \$7.41 rounded) - (17,644 sq. ft. X \$8.83)) = \$67,350. The space proposed by the Department of Agriculture is 4,508 square feet less than the 22,152 square feet currently used by DEQ. The departments have not reached a final agreement on the use of this space. Costs are assumed constant for the 5 year horizon of this fiscal note.

REVENUE EXPLANATION

Self-generated revenue to the Louisiana Agricultural Finance Authority would increase by the lease amount paid by DEQ for facilities under control of the authority, or approximately \$155,797 annually based on preliminary discussions between the two agencies. The facilities currently leased by DEQ to house the employees and equipment addressed by this streamline note are owned by private entities.

Senate Dual Referral Rules
 13.5.1 >= \$500,000 Annual Fiscal Cost
 13.5.2 >= \$500,000 Annual Tax or Fee Change

House
 6.8(F) >= \$500,000 Annual Fiscal Cost
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk

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Legislative Fiscal Officer