

March 1988

NEW L.A. FEDERAL COURTHOUSE

Evidence Is
Insufficient to Suggest
That Congress
Reconsider Its
Approval



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United States
General Accounting Office
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General Government Division

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March 23, 1988

The Honorable Pete Wilson
United States Senate

Dear Senator Wilson:

Your November 4, 1986, letter requested that we study two alternative proposals put forth by (1) the General Services Administration (GSA) and (2) the U.S. District Court, Central District of California, for satisfying the long-term space needs of the District Court in Los Angeles, California. GSA's proposal provided space for the expansion needs of the District Court in its planned new Los Angeles federal building/courthouse. In contrast, the District Court's proposal for satisfying its space needs involved construction of an annex to the existing Los Angeles federal courthouse.

The federal building/courthouse project was authorized by Congress in December 1985 and work has begun at the construction site. In September 1986, the District Court received a contractor's study which stated that GSA's proposal would be more costly to the District Court than would its courthouse annex proposal. We considered the contractor's study in our analysis of the two proposals.

Our analysis of the two proposals, done between December 1986 and June 1987, included reviewing documents and interviewing officials at GSA, the U.S. District Court, Central District of California, and the Administrative Office of the U.S. Courts. Details on our objectives, scope, and methodology are provided in the appendix.

Our review of the proposals showed that

- The District Court will incur additional operating costs as a result of splitting its activities between the existing Los Angeles federal courthouse and the new federal building. Since the actual division of its activities could vary, the amount of the added cost would vary. In addition, potential added security problems involved in a split court operation would require an unknown level of expenditures.

-- A courthouse annex would cost more to build--GSA estimated \$17 million more in January 1986--and the difference may be even larger now due to inflation. The cost of an annex could be further increased by historic preservation requirements. In addition, elimination of court space now incorporated into the design of the new federal building could lead to additional costs due to (1) architectural redesign and (2) the resulting delays in the construction and occupancy of the building. These costs could be offset to some extent by savings in the construction cost of a smaller federal building.

The factors discussed above are discussed in detail in the appendix.

CONCLUSION

In summary, there are uncertainties in both the District Court's and GSA's proposals. In our opinion, the evidence available is insufficient to suggest that Congress reconsider its approval of the federal building/courthouse proposal.

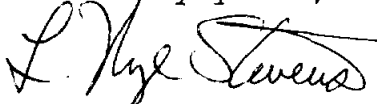
AGENCY COMMENTS

GSA, in commenting on our report, said that it had no critical comments. The Administrative Office of the U.S. Courts did not provide comments in sufficient time to be included in the report.

As arranged with your office, unless you authorize its release or publicly announce its contents sooner, no further distribution of this report will be made until 30 days from the date of this letter. At that time, we will send copies to the Administrator of General Services; the Director, Administrative Office of the U.S. Courts; the Director, Office of Management and Budget; and others with an interest in this subject.

Should you have any questions about this report or desire additional information, please contact me on 275-8676.

Sincerely yours,



L. Nye Stevens
Associate Director

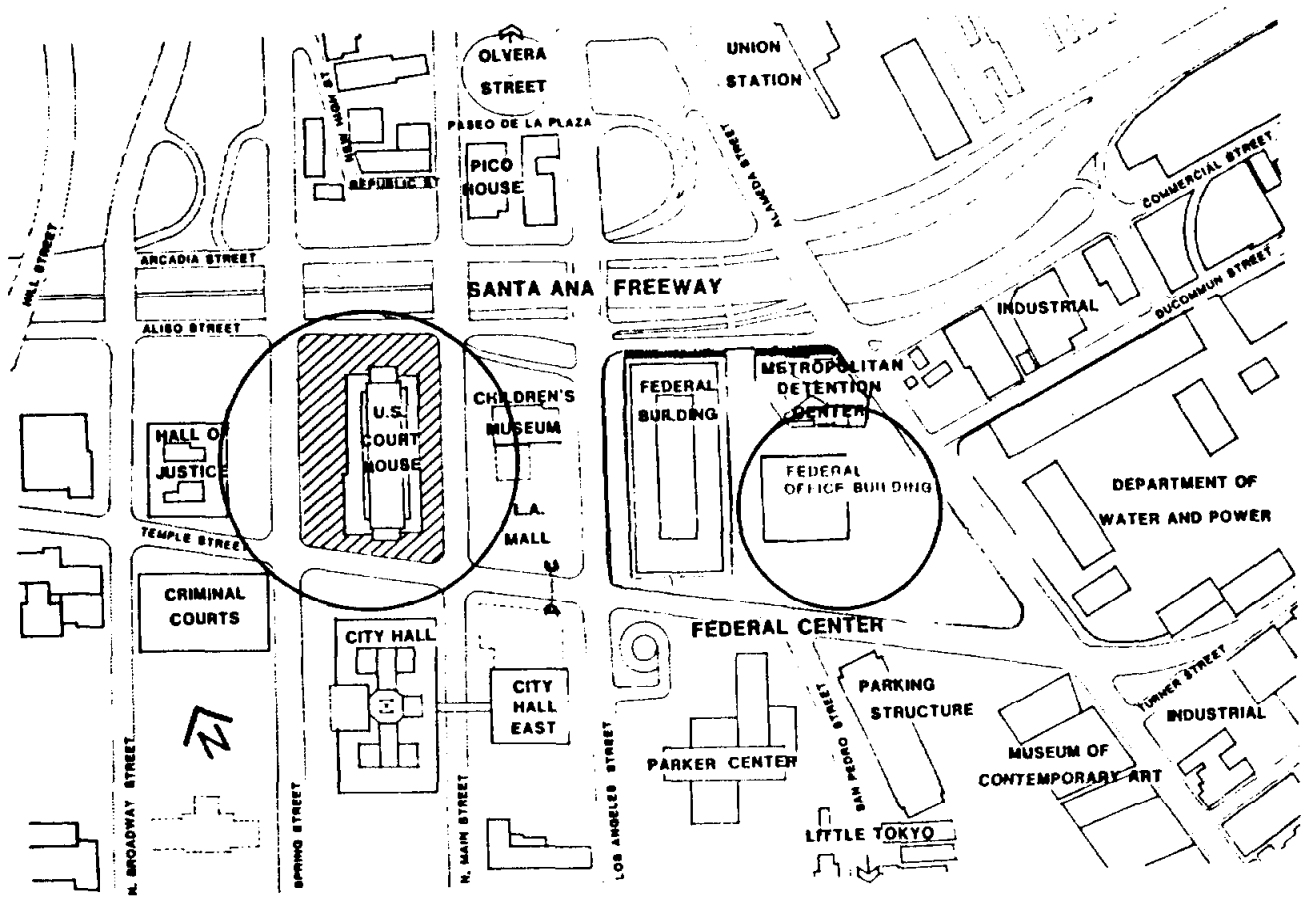
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ABBREVIATIONS

GSA	General Services Administration
Court	U.S District Court, Central District of California
AOUSC	Administrative Office of the U.S. Courts

FIGURE 1.1:
LOS ANGELES, CALIFORNIA,
SITE VICINITY MAP



SITE VICINITY MAP

Source: Feasibility Study For The United States District Court House (Prepared for the General Services Administration by Welton Becket, Associates, October 1985).

CONSTRUCTION OF COURT FACILITIES FOR THE U.S.
DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
IN LOS ANGELES, CALIFORNIA

Senator Pete Wilson, in a November 4, 1986, letter, requested that we conduct an analysis of the disagreement between the General Services Administration (GSA) and the U.S. District Court, Central District of California (Court), concerning the most viable and economical means of providing for the immediate and future space needs of the Court in Los Angeles, California. GSA proposes to provide expansion space for the Court in its new Los Angeles federal building/courthouse which is presently under construction. The Court is opposed to that proposal and recommends instead the construction of an annex to the existing courthouse. GSA and the Court each contend that its respective proposal is more economical.

BACKGROUND

With the exception of the Supreme Court, housing for United States courts is provided by GSA. The Administrative Office of the U.S. Courts (AOUSC), the manager of the administrative operations of the federal court system, determines court space requirements and provides them to GSA. GSA then acquires space for the courts either in separate courthouses where the court is the sole or primary occupant, in federal buildings that also house other government agencies, or in commercial buildings when no federally owned space is available. GSA relies on private architect-engineers and its own professional staff for the design of the space.

The U.S. Courts Design Guide provides standards and planning guidelines for court space. GSA prepared the guide, which is updated as needed, in cooperation with AOUSC. The guide was developed on the basis of the requirements for a typical medium-size court installation and provides specific dimensions for court space. For example, the guide says that the standard district courtroom should be 1,820 square feet in area with inside dimensions of 35 feet by 52 feet and a ceiling height of 12 feet over the activity zone. The guide was intended for use by federal officials and private architects and engineers who are involved in court space design, construction, remodeling, and acquisition or assignment of space.

The district court, one subdivision of the federal court system, carries out several judicial processes including trials, criminal arraignments, grand jury proceedings, bankruptcy proceedings, and naturalization. The U.S. District Court,

Central District of California, is located in the federal courthouse at 312 North Spring St., Los Angeles, California. The Court serves the California counties of Los Angeles, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara, and Ventura.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our review were to analyze GSA's and the Court's proposals for satisfying the Court's Los Angeles space needs and determine which of the two proposals would be the more reasonable for the government to pursue at the present time. As agreed with the requester, our review did not consider the space needs of the Court's Bankruptcy Court because they are being met separately by GSA and were not included in either GSA's or the Court's proposals.

Our field work, conducted between December 1986 and June 1987, focused on an analysis of various factors we believe would influence the determination of which proposal would be more reasonable. The three primary factors were (1) the long-term space needs of the Court in Los Angeles, (2) GSA's construction cost, and (3) the Court's operational cost. We also considered several other factors which we believe are relevant to the issue. These factors include the preservation of the architectural and historic integrity of the existing courthouse, congressional approval of GSA's federal building/courthouse proposal, federal space costs resulting from any change in the federal building project, and the security of material and people in transit between both court locations.

To accomplish our objectives we interviewed officials at GSA's central office, located in Washington, D.C., and at its San Francisco regional office, which has jurisdiction over federal space matters in the Los Angeles area; the Administrative Office of U.S. Courts, located in Washington, D.C.; and the U.S. District Court, Central District of California, located in Los Angeles, California.

We discussed the approval of GSA's Los Angeles federal building project with the Senate Committee on Environment and Public Works; the House Committee on Public Works and Transportation; and the Chairman of the House Appropriations Subcommittee on Treasury, Postal Service, and General Government. The purpose of those discussions was to determine what issues, particularly the impact of the two proposals on the Court's

operational costs, the committees considered in their authorization and funding of GSA's federal building/courthouse project.

We reviewed GSA, Court, and AOUSC documents relating to the development and justification of each agency's proposal. Three of the primary documents we reviewed were (1) a contractor's feasibility study of the possible expansion of the existing courthouse, (2) GSA's construction cost comparison analysis of both proposals, and (3) a contractor's study of the financial and operational consequences to the Court from the implementation of GSA's proposal. We discussed the data contained in these studies with agency officials but we did not review the appropriateness of the contractor's methodology or the analytical work performed during the preparation of their reports. Our review of the contractor studies was limited to determining if the information provided us by agency officials (e.g. projected number of judges) agreed with the data used in the preparation of the studies.

During our review we became aware of several factors which were not considered by the contractors during the preparation of their reports. For example, some of the projected number of district judges who were to be located in Los Angeles are now scheduled to be located outside the city. Thus, the amount of court space needed in Los Angeles will be reduced. We analyzed what impact these factors could have on the studies' conclusions or cost projections.

Our audit work was performed in accordance with generally accepted government auditing standards.

SPACE NEEDS OF THE COURT--FUTURE
AMOUNT AND LOCATION ARE UNCERTAIN

Between 1985 and the year 2010, the Court projects that the number of district judges working in Los Angeles will increase by about 72 percent. Based on that projection, the Court estimated that a total of 55 courtrooms, or 33 more than are presently available at the courthouse, will be needed. Although those projections were used by both GSA and the Court in the development of their Court space proposals, our review of the Court's projected Los Angeles space needs showed that the amount of space that may eventually be needed is uncertain due to the possibility that a portion of that space may in fact be required outside of Los Angeles.

Court's Present Situation

As of September 1987, the Court was authorized 22 district judges. A request for five additional judges was pending with Congress. In addition to the authorized positions, 10 senior judges were assisting the Court. A senior judge has retired from active judicial service but has volunteered his or her service on an as-needed-basis. All of the Court's judges were located at the courthouse. Within the courthouse, 22 district courtrooms were available for use by the Court's 32 judges. In addition to the district courtrooms, judges were also using magistrate courtrooms and bankruptcy court hearing rooms. Two additional district courtrooms have been authorized for construction in the courthouse by Congress.

Court's Projected Needs

In 1985 the Court projected its space needs to the year 2010. GSA requested the 25-year projection for a study on the possible expansion of the courthouse as a means of satisfying the Court's long-term space needs. One portion of that projection was the number of courtrooms that would be required. By the year 2010, the Court projected a need for a total of 55 courtrooms. This projection was based on the standard of one courtroom for each of the Court's estimated 55 judges (39 authorized, 14 senior, and 2 visiting). An AOUSC official told us that there is no written policy for this one-to-one ratio of judges to courtrooms but it is an accepted policy within the federal court system. The court design guide does not mention this subject. Because there are no alternative criteria regarding the ratio of courtrooms to judges, we accepted the one-to-one ratio for the purposes of our analysis.

Events That Could Change the Court's Los Angeles Space Needs

The Court's projection of its expansion space needs was based on the housing requirements for 55 judges, all of whom were to be located in Los Angeles. During our review, we became aware of two actions that could affect the number of judges that will eventually be needed in Los Angeles. Any reduction in that number would reduce the Court's space needs in Los Angeles. These actions involve the establishment of court sites that would be located outside of Los Angeles and the possible division of the Court into two separate districts, with the establishment of the second district's headquarters outside Los Angeles.

During our review, GSA was preparing a court facility in Santa Ana, California, for use by the Court. Upon completion of this facility, two or three district judges are expected to be assigned to it. According to the Court's Chief Judge, additional sites for holding court may be established in other sections of the Court's geographic area of responsibility as the need arises. The designation of sites for holding court outside of Los Angeles, the establishment of court facilities at those locations, and the transfer of judges to these facilities would reduce the complement of judges required in Los Angeles and thus reduce the Court's Los Angeles space needs.

Another factor that could reduce the Court's Los Angeles space needs is the possible division of the Court into two separate districts. On July 10, 1985, legislation was introduced, H.R. 2945, to establish a new judicial district in California to be called the Western District of California. That District would be comprised of the California counties of Orange, Riverside, and San Bernardino. These counties are now served by the Central District Court. The establishment of this District was viewed as a means of reducing the burden on jurors, witnesses, and litigants from those three counties who are now required to travel to Los Angeles for court activities. Division of the Court would reduce the number of judges needed by the Court in Los Angeles and thus the amount of space that would be required.

The House Committee on the Judiciary said in its Activities Report (House Report 99-1029; Dec. 30, 1986) that while no action was being taken at that time because of the designation of Santa Ana as a place of holding court, it may be necessary to reconsider this issue if serious problems persist. According to a staff member of the Member of Congress principally responsible for the introduction of this legislation, it will be reintroduced during the next session of Congress.

The Court's Chief Judge told us that because of these two possibilities, as well as the possible increased use of arbitration rather than trial, 14 additional courtrooms may be sufficient to meet the Court's space needs in Los Angeles during the next 20 years. This is 19 fewer than called for in the Court's 25-year projection.

GSA and the Court agree that the existing courthouse does not have sufficient capacity to meet the expanding space needs of the Court. However, the Court's long-term space needs in Los Angeles are unclear because of the uncertainty as to the Court's long-term judicial personnel requirement.

COURT SPACE PROPOSALS AND
ESTIMATED CONSTRUCTION COSTS

GSA and the Court have each proposed a solution for dealing with the expansion needs of the Court. GSA's proposal is to provide space for the Court in its new Los Angeles federal building, which would result in the Court operating from two locations, the federal building and the existing courthouse. The Court, preferring a single location, recommended that GSA construct an annex to the existing courthouse.

In January 1986, GSA prepared an analysis comparing the construction costs of providing court space in the federal building with the Court's annex proposal. That analysis showed that GSA's proposal would cost about \$16,866,000 less to construct. Our review of GSA's construction cost comparison showed that it reasonably estimated the construction cost of both alternatives. However, because GSA's analysis was based on October 1985 construction cost estimates, actual construction bids today would probably differ due to inflation. Because the annex is still only a proposal while the design and excavation for the federal building has already started, inflation could increase the annex's cost to a larger extent, thus increasing the cost difference.

GSA Proposal - Federal Building/Courthouse

In early 1985, GSA submitted a construction prospectus for a combined federal building/courthouse for congressional approval. The prospectus provided for the construction of a structure consisting of 560,000 square feet of occupiable space, of which about 100,000 square feet would be allotted to satisfy the long-term needs of the Court. The estimated construction cost was \$137,198,000. GSA's proposal was funded by Congress on December 19, 1985, as part of the fiscal year 1986 Continuing Resolution, Public Law 99-190. The structure is now being designed and will be constructed in two phases. An excavation contract was awarded during June 1987, and excavation work started during July 1987. The construction contract is scheduled to be awarded during June 1988, with completion of the building scheduled for December 1990.

GSA's federal building proposal included 10 courtrooms, judges' chambers, and adjunct space, such as witness rooms and attorneys' consultation rooms. In addition, other space in the building will be structurally prepared for the later addition of another 10 courtrooms, chambers, and adjunct space. This space will initially be finished as office space and used by other

federal tenants until it is needed by the Court. At that time, the space will be remodeled for court use. A GSA official told us that 12-foot ceilings are incorporated into the structural design in anticipation of such future use. He said that if the initial structure were designed and built to accommodate only office height ceilings, generally only 8 feet high, later conversion for the higher courtroom ceilings would be more expensive because of required structural renovations.

GSA's proposal would result in the Court operating from two locations, the new federal building and the existing courthouse. As shown on the map on page 4, the distance between the two buildings is two city blocks. The Court, which has continually opposed GSA's proposal because of the physical division of court operations, has contended that this split would result in higher operational costs than if the Court operated from a single location. GSA agrees with this position. As an alternative, the Court proposed that GSA construct an annex to the existing courthouse, thus avoiding a split operation.

Court Proposal - Courthouse Annex

In response to the Court's opposition to its proposal, GSA contracted with an architect/engineer firm to study the feasibility of altering and expanding the courthouse to provide for the Court's long-term space requirements. GSA requested that the Court provide the contractor with its 25-year projected space needs. The Court provided that information as well as the space requirements of federal agencies now located in the courthouse that work in conjunction with the Court, such as the U.S. Attorney and U.S. Marshal. The Court projected a total of about 600,000 square feet of space being needed by the year 2010. Part of the projection included space for 55 courtrooms. GSA made no evaluation of this estimate because, according to a GSA official, GSA did not want to be later accused of biasing the contractor's report.

In October 1985, the architect/engineer firm provided GSA its report, entitled Feasibility Study For The United States District Courthouse, which concluded that the courthouse could be altered and expanded to meet the space needs of the Court. The study also provided designs and construction cost estimates for two annex alternatives. The Court selected a design envisioning an expansion area of about 392,000 gross square feet, which provided for the addition of 26 courtrooms and varying amounts of office and parking space via a combination of subsurface improvements and a connecting tower built at the northwest corner of the courthouse. The contractor provided a concept level construction

cost estimate for the annex of \$58,343,800 based on construction costs as of October 1985. The contractor noted that if remodeling work in the existing courthouse and foundation and structural work associated with the new construction had to be accomplished on a second shift basis so as not to interfere with Court proceedings, an additional cost of \$2,927,000 would be incurred. This would increase the total cost to about \$61,271,000.

GSA's Analysis Of Construction
Costs for Court Facilities

In January 1986, GSA's San Francisco regional office completed a comparative cost analysis of the construction of the Court's proposed annex versus providing an equivalent amount of court space in the federal building. In developing this analysis, GSA used the contractor's feasibility study to determine the square footage that was being added and then multiplied this by GSA's per square foot construction costs to arrive at the estimated federal building construction cost. The former GSA official who prepared the analysis told us that the construction cost per square foot was based on his knowledge of the construction cost of other projects. The federal building estimate was then compared to the cost to construct the annex as estimated in the feasibility study. As shown in table 1.1 the GSA analysis showed a construction cost difference of \$16,866,000 in favor of GSA's proposal.

Table 1.1:
GSA January 1986 Construction Cost Comparison
for Court Facilities, Los Angeles

Courthouse annex	\$61,271,000
Federal building	<u>44,405,000</u>
Difference	<u>\$16,866,000</u>

To check the reasonableness of the GSA's January 1986 federal building construction estimate, we asked GSA central office officials to prepare a new estimate of the construction costs per occupiable square foot. Their estimates were prepared using April 1987 published construction costs for general office space in Los Angeles, which were then increased to reflect the added cost necessary to construct court space. The amount of the increase was based on the central office estimator's construction experience with court facilities. Using those square foot cost estimates and the footage developed by GSA's San Francisco region, we calculated that the construction costs of court space in the federal building would be about \$43,362,000, or \$1,043,000 less than the San Francisco January 1986 estimate. The primary reason for the difference was that the central office estimator developed a lower construction cost per square foot for court space. Because the cost developed by the estimators was influenced by their individual court space construction experiences, we do not believe that the difference is significant.

TABLE 1.2:
Cost of Court Space in the
 Federal Building/Courthouse

<u>Type of space</u>	<u>Construction cost</u>	
	<u>GSA</u>	<u>GAO</u>
Standard courtrooms, chambers, and adjunct space	\$30,800,000	\$29,150,000
Limited-use courtrooms, chambers, and adjunct facilities	2,970,000	2,862,000
Magistrate hearing rooms, chambers, and adjunct facilities	825,000	795,000
Office	8,925,000	9,537,000
Parking	885,000	1,018,000
Total	<u>\$44,405,000</u>	<u>\$43,362,000</u>

On the basis of our analysis of the methodology and cost data used in GSA's January 1986 cost comparison study, we believe that GSA reasonably estimated the construction costs of the two proposals.

Inflation Is Affecting Construction Cost

GSA's January 1986 construction cost comparison was based on 1985 construction costs. Since that comparison was completed, inflation has increased construction costs. Construction costs for general office space in Los Angeles, for example, have increased by 2.1 percent between October 1985 and April 1987. Because the federal building is being built while the annex remains only a proposal, inflation will affect the cost of the annex for a longer period of time. In response to an inquiry from us, GSA officials estimated that if annex planning were to begin in April 1987, the annex would be completed about October 1993. This is about 3 years after the scheduled December 1990 completion date of the federal building/courthouse. During this period, only the annex cost would be affected by inflation, thus possibly increasing the cost differential between the two proposals.

Many factors influence construction costs. For example, the lack of construction activity could influence contractors to reduce their profit requirements thereby making themselves more

competitive to win the construction contracts that are available. This could result in lower construction costs during a particular time period. Because of all the possible cost influences and the fact that the annex would be constructed 3 years in the future we did not attempt to prepare a new construction cost estimate for the annex.

GSA'S PROPOSAL WILL RESULT
IN HIGHER OPERATIONAL
COSTS FOR THE COURT

GSA's proposal will result in the Court operating from two locations--the federal building and the courthouse. The Court contends that this will result in a present value¹ excess operational cost of about \$24 million over a 25-year period, compared to the alternative of the Court remaining in one location through the addition of a courthouse annex. GSA agrees that the Court's operational cost would be higher under GSA's proposal, though our review shows that the amount of the increase is not certain. We noted that the contractor's study of operational costs did not consider the possibility of establishing other places for holding court outside of Los Angeles and used housing plan assumptions that would have the effect of maximizing operational costs attributable to splitting the Court's operations.

Court Operational Costs

The Court has continuously opposed GSA's proposal for providing space for Court operations because it would result in the Court operating from two Los Angeles locations. The Court's concern has been that its operational costs would be higher under the GSA proposal. To document these concerns, in mid-1986 the Court contracted with a public accounting firm to study the operational cost consequences of the Court's expansion as proposed by GSA. The contractor's September 1986 report, Financial and Operational Consequences of Court Expansion Alternatives, concluded that present value incremental costs of about \$24 million over a 25-year period would result from the adoption of GSA's proposal.

¹ Present value analysis is used to compare alternatives that incur costs at different times. This technique determines the amount of money which, if invested today at a selected interest rate, would be sufficient to meet expected future costs.

The September 1986 operational cost report calculated the operational and financial consequences of single and split site expansion of the Court. The single site alternative represented the continued operation of the Court at the existing courthouse through the addition of a courthouse annex, whereas the split site alternative represented the continued use of the courthouse and the establishment of courtrooms and court facilities in the federal building. The contractor analyzed the incremental cost and operational impact by evaluating the time, cost, or space requirements of two split-site housing plans (federal building and existing courthouse) against a single site housing plan (courthouse with annex).

Split-site housing plans were developed for all the Court's departments as well as other court-related federal offices. In one plan, each major department (except the Magistrate Court), such as the Clerk of the Court, U.S. Attorney, Federal Public Defender, and U.S. Marshal, while continuing to have its main office in the existing courthouse, would also have a satellite office in the federal building. This plan was called the decentralized option. In the second plan, only a U.S. Marshal's satellite office would be located in the federal building. The U.S. Marshal's office was included because of the need to provide security for court personnel and the transfer of prisoners. This plan was called the centralized option.

The report states that over a 25-year period, the present value of the added cost the Court would incur as a result of a split operation was \$24.5 million for the decentralized option plan and \$23.5 million for the centralized option. Three cost categories were noted: (1) the cost of additional Court personnel needed because of the loss of productive time as a result of personnel having to walk between the two buildings; (2) the cost of duplicate facilities and equipment that would be needed to support the satellite offices; and (3) the need for additional judges and their staffs because of delays due to the complexities of scheduling and operating a split court. It was assumed that these delays would result in a need for an additional judge to handle the Court's workload.

Operational Changes Could Affect Operational Cost Estimate

We agree that the Court's operational cost would be higher under GSA's proposal. However, we cannot say to what extent these costs will occur. While the Court's operational cost study identifies the types of additional cost that can occur, we noted

possible changes to the location of judges that could affect the Court's long-term operational cost.

The operational cost study assumed that 53 judges, a figure obtained from the Court, would eventually be located in Los Angeles. This is similar to the Court's staff projection used in the courthouse expansion feasibility study. The two projections differ in that the operational cost study does not include the two positions provided for visiting judges. No explanation for the difference was provided in the study. As previously stated, it is possible that the Court's projected Los Angeles contingent of judges could be reduced through either the establishment of sites for holding court which are located outside of Los Angeles and/or the division of the district. For example, the Santa Ana facility is soon to become operational. The two or three judges who are expected to be assigned to that facility were included as part of the Los Angeles contingent used in the cost study. The elimination of those positions would reduce the Court's Los Angeles operational cost to some extent. As other locations for holding court are established or part of the Court's long-term personnel projection is allotted to a possible new district, the Court's Los Angeles operational cost should be reduced.

We also noted that the study's split court housing plans yielded high incremental costs through the placement of judges. The report's two split-site housing plans provided for all senior judges to be located in the existing courthouse with only active judges housed in the federal building. The report states that a senior judge's caseload is about 33 percent of an active judge's caseload. If all the senior judges were relocated to the new federal building with active judges replacing them in the courthouse, incremental costs should be reduced because a smaller portion of the Court's overall activity would be affected by the split operation. Of the two split court housing plans' incremental cost totals of \$24.5 and \$23.5 million, 57 percent and 80 percent respectively represent the cost of additional personnel, including one judge, that would be required by the extra transit time between the two buildings and by late arrivals. The placement of senior judges in the federal building would have an effect on these amounts since their caseloads are less than those of the active judges whom they would replace. Lesser caseloads should yield less transit time and late arrivals and therefore reduced incremental operational cost.

The split court housing plans also provided for 22 judges to be located in the courthouse and 31 in the federal building. As previously mentioned, the Court was assigned 22 courtrooms in the courthouse and Congress has authorized the construction of two

additional courtrooms. The report makes no mention of these two additional rooms. When completed, two of the judges selected for the federal building could continue to work in the courthouse. As with the placement of senior judges, this should result in less incremental transit time.

OTHER FACTORS THAT SHOULD BE CONSIDERED

The construction and operational costs previously discussed are two of the most prominent components of GSA's and the Court's proposals. In addition to these two issues, we believe several other factors should be considered at the present time in analyzing either of the proposals. These factors are

- the possible historic significance of the existing courthouse and its preservation,
- the prospect for federal funding for an annex since Congress has already authorized and funded GSA's federal building/courthouse concept,
- the uncertain cost consequences to federal space cost resulting from any delay in the completion of the federal building if the proposed court space is eliminated because of a decision to build an annex, and
- the security of Court personnel and others who may be required to walk between the federal building and courthouse.

These factors, which are discussed in the following sections, could affect the eventual cost of both court and other government space in Los Angeles.

Courthouse and Historic Preservation

GSA has determined that the courthouse is eligible for nomination to the Federal National Register of Historic Places. Buildings which are listed in the register or have been determined to be eligible for registration are afforded a degree of protection so that the historic, architectural, archeological, or cultural importance of the building is not damaged by an activity such as remodeling. If it were determined that the addition of the annex would have an adverse effect on the building, GSA would be required to mitigate the degree of adverse effect. While GSA historic preservation officers have not analyzed the impact an annex would have on the courthouse, the courthouse expansion feasibility study did note that the large volume of space to be added would create a significant question

regarding the preservation of the architectural and historic integrity of the building. The report noted that the addition of the space would aesthetically alter the existing building in a "significant manner." According to a GSA official, the register nomination is on hold due to an agreement to that effect reached between the GSA San Francisco Regional Administrator and the Court's Chief Judge. The additional requirements put on protected properties as well as possible objection to the project by historic preservationists could delay the annex project and increase its cost.

Availability of Federal Funding for the Annex

As previously mentioned, Congress authorized and funded GSA's proposal in 1985. In light of continuing federal budget deficits, it is unclear whether Congress would be willing to provide additional capital funding of the magnitude necessary to construct the courthouse annex. To answer this question, we discussed GSA's federal building/courthouse project with the Senate Committee on Environment and Public Works; the House Committee on Public Works and Transportation; and the Chairman of the House Appropriations Subcommittee on Treasury, Postal Service, and General Government. We asked if committee members were aware of the increased Court operational costs during their consideration of GSA's construction prospectus. We were informed by the Committees and the Chairman that while committee members were aware of this matter, they agreed with GSA's proposal. We were also told that several committees' members had been to Los Angeles and had an opportunity to visit the building sites and observe the distance between the two buildings. The Chairman told us that unless it is shown that Congress made a significant mistake in its approval of GSA's proposal, it is unlikely that Congress will reconsider this issue. Based on our discussions, we believe it is questionable whether funding could be obtained in a timely manner for construction of the annex. Any delay would continue to increase the annex and federal building costs.

Other Federal Space Cost Considerations

If an annex project were approved and court space no longer needed in the federal building, the cost of the federal building and other federal space costs would be affected. The cost factors are

-- the cost of redesigning the federal building to eliminate the court space,

- additional construction costs due to inflation because of any delay resulting from either the redesign or the need to alter completed construction, and
- the cost of delaying the movement of federal tenants from leased space to the federal building because of any delay in its completion.

The magnitude of the above cost items would depend upon when a decision regarding the annex was made and would be offset by any savings resulting from the construction of a smaller federal building. In March 1987, a GSA San Francisco regional official told us that if it was then decided to redesign the federal building to eliminate the court space, he anticipated a 6-month delay in the completion of the building.

Security of People and Material During Transit

The security of people and material as they move between the two buildings must be considered as a potential problem in the operation of a split court. One potential risk would be assault, either physical or verbal, from defendants' family members or colleagues of defendants. The possible magnitude of this problem and the potential cost of providing additional security to avoid it is unknown. It would vary with the number of judges located in each building and the amount of transit that would take place. This security problem was noted in the Court's operational cost study but no cost was associated with it.

AGENCY COMMENTS

GSA, in commenting on our report, said that it had no critical comments. The Administrative Office of the U.S. Courts did not provide comments in sufficient time to be included in the report.

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