

# State Agency Locations

## Smart Growth Tools for Main Street



State Agency Building, Downtown Wichita, Kansas

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Too often, state agencies actually contribute to urban sprawl by unnecessarily abandoning locations in city centers. In smaller communities, state agencies may move to the outskirts of town. In urban environments, they may move away from the downtown or neighborhood commercial district. But by staying -- or locating -- in a traditional commercial district or downtown instead of in a commercial strip center or on the outskirts of town, state agencies can give Main Streets an “economic shot in the arm” and avoid adding to the problem of sprawl. As is true of post offices, courthouses, and other public entities, state agencies attract and generate significant economic activity. Their employees patronize nearby shops and restaurants. Keeping these agencies downtown helps to maintain vibrant cities and towns. Additionally, city centers are more likely to have public transportation. Locating state facilities near downtowns (or other) transit hubs helps communities reduce traffic congestion. That, in turn, improves air quality and quality of life.

Several states have established policies directing state agencies to locate downtown whenever possible. Among these are:

- *California.* Executive Order D-46-01 (signed by Governor Gray Davis on October 9, 2001) explicitly acknowledges the role of state offices in strengthening and revitalizing California’s cities and towns. The order directs the Department of General Services (DGS), the state’s chief real estate manager, to consider “sound and smart growth patterns” in locating state agencies. The DGS is also instructed to consider:
  - siting or leasing agencies in central cities or similar areas;
  - constructing or renovating state-owned office buildings with site plans and architectural designs of the highest quality;
  - proximity to public transit;
  - pedestrian access to retail and commercial facilities; and
  - opportunities to use structures of historic, cultural, or architectural significance.
- *Massachusetts.* In 1996 Massachusetts Governor William Weld issued Executive Order 385 (EO 385) calling for the Commonwealth “to actively promote sustainable economic development practices by advocating for state activities that are supported by adequate infrastructure and that are designed in such a way so that they do not adversely impact the natural environment.” Enforcers of the Massachusetts Environmental Protection Act (MEPA) actively use EO 385 when reviewing state agency location proposals. “One of the criteria they use is the reuse of existing buildings,” says Kurt Gaertner of the Massachusetts Executive Office of Environmental Affairs. In addition, Gaertner notes that the state encourages state agencies to locate near transit hubs, which are usually in or near downtowns.

Back in 1977, Governor Michael Dukakis issued Executive Order No. 134, which established an official state policy of promoting economic growth in downtown centers. Under the order, if a state agency proposed to obtain office space outside a downtown center, it had to submit a written justification for its choice of location to the state Commissioner of Administration. If the Commissioner found that suitable, reasonably-priced space could be obtained by the agency in a downtown center -- and if time was not of the essence -- he/she could disapprove the proposed lease or project. If suitable space could not be obtained in an *existing* building at a reasonable price, the agency had to give preference to building a new structure in a downtown. Renovated or new newly constructed state buildings were supposed to be designed to be consistent with the character of existing buildings in the downtown. Although this executive order is no longer enforced, it is cited here because it provides yet another example of how states can promote downtown economic activity through their real estate agency location decisions.

- *Maryland.* Maryland has an aggressive state policy encouraging the location of state agencies in downtowns. No space may be located outside a Priority Funding Area. ♦ Under the leadership of Governor Parris N. Glendening, the state Department of General Services now helps agencies find appropriate locations within Priority Funding Areas. The state policy also encourages the use of “green building” standards. In Cumberland, Md., the recent renovation of a 100-year-old Main Street building encouraged neighboring businesses to renovate and beautify store fronts. “We think the downtown agency location policies have a positive impact on community revitalization efforts,” says Lori Eisner of the Maryland Office of Smart Growth. For additional information on this policy visit the Maryland Department of General Services at [www.dgs.state.md.us](http://www.dgs.state.md.us).
- *Vermont.* In Vermont, Republican and Democrat governors alike have supported a state policy of strengthening town centers by locating state offices downtown. This policy was reaffirmed in 1993 by Governor Howard Dean. The policy directs the Vermont Department of State Buildings to:
  - give priority to locating state government activities in historic and other existing buildings when appropriate; and
  - coordinate the location of state facilities with local government officials to assure that such facilities are located in accordance with municipal policies and plans.

According to Tom Torti, Vermont’s Commissioner of the Department of Buildings and General Services, “The executive order is 100% effective. There is really no need for a state agency to go anywhere except downtown.” But finding enough parking spaces to accommodate the state office building employees and guests can be a challenge. Torti says that most towns are able to find a solution to the parking problem, however. “No doubt about it,” says Torti, “the policy helps to sustain downtown.”

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♦ A Priority Funding Area (PFA) is defined in Maryland’s Smart Growth law, passed in 1997, as an area in an existing community or an area specifically designated for new growth by a local jurisdiction.

- *Indiana.* In 1999, Indiana Governor Frank O'Bannon issued an executive order aimed at "strengthen[ing] Indiana's cities and towns by encouraging the location of state agencies in the downtown areas of our communities." O'Bannon set of goal of having 66% of all state agencies to locate in downtowns by July 1, 2003. His order states that "utilizing existing architectural resources, rather than duplicating them through new construction, represents good conservation practice consistent with environmental and preservation initiatives." In 2001, 238 of the 265 state agencies are located in a downtown environment.

O'Bannon's order also calls upon the state to "utilize and maintain, wherever operationally appropriate and economically prudent, downtown properties, especially in historic structures and districts...[W]hen locating state facilities, state agencies shall give first consideration to historic properties within downtowns or historic districts. If no such property is suitable, then state agencies shall consider other developed or undeveloped sites within downtowns. If there are no suitable sites, state agencies shall then consider historic properties outside of a downtown or district. Any rehabilitation, construction, or demolition that is undertaken pursuant to this order must be architecturally compatible with the character of the building and surrounding district or properties."

Bedford, Ind., is one of many communities helped by this policy. As in so many small towns, Bedford's downtown was all but killed by shopping mall development in the 1960s and 1970s. Community leaders, believing that Bedford's downtown had much to offer, launched an aggressive downtown revitalization campaign. In the early 1990s the state Department of Work Force Development and the Department of Family and Social Services were looking for office space in Bedford. They looked at "sprawl space" on the edge of town and then came across a 56,000-square-foot building in Bedford's Courthouse Plaza that had stood empty on the town square for 15 years. Community leaders and state agency officials believed that locating the agencies in downtown would be a "win win" situation for all. They were right.

Courthouse Plaza reopened in 1997 and is considered by the community and the state to be a great success. The main level is now occupied by the state agencies. The basement is used as a courthouse annex. And the third floor is used for community space. "The co-location of these state facilities has brought stability to our downtown," says Jamie-Joe Harris, executive director of the Bedford Enterprise Zone.

For additional information on Indiana's policies, visit <http://www.in.gov/idoa>.  
For information on Courthouse Plaza, visit <http://www.bedfordenterprise.com>.

- *Oregon.* In 1994, Oregon Governor Barbara Roberts issued Executive Order 94-07, "Siting State Offices in Oregon's Community Centers." The order states in part: "State facilities, and state agencies' use of space, shall serve to strengthen Oregon's cities and their central districts by conserving existing urban resources, using existing

infrastructure and services, and encouraging the development and redevelopment of central business districts and other mixed-use centers.” The director of the state’s Department of Administrative Services (DAS) may identify special program needs that justify locating offices outside central business districts, but such offices must be located conveniently close to transit service where it exists. No office space should be located outside central business districts (or mixed-use centers accessible to the public through pedestrian facilities and/or transit services) without the direct approval of the Department of Administrative Services’ director. In 1998, under Governor John A. Kitzhaber, the Department of Administrative Services issued a *Policy Manual* reinforcing Executive Order 94-07.

- *Pennsylvania.* In 2000 the Commonwealth of Pennsylvania enacted a Downtown Location Law that encourages state agencies to locate leased and state-constructed facilities in downtown areas. This law calls for primary consideration to be given to the restoration and reuse of existing structures within a downtown area. The law also permits the Department of General Services to deny requests from state agencies to locate or to relocate outside of a downtown unless they document that no alternative is available. Lack of onsite parking is not sufficient documentation when alternative parking in the downtown is available.

### ***Federal Agencies***

The federal government has a major impact on the economic, physical, and social well being of communities through its real estate decisions. For this reason, Congress enacted Public Law 106-208 (a codification of Executive Order 13006) in 2000 to encourage federal agencies to consider locating their offices in historic properties in central cities when appropriate and economically feasible. For additional information visit <http://www.achp.gov/nhpa.html>.

### ***Resources***

- *A Local Official’s Guide to Developing Better Post Offices.* This guidebook, published by the Preservation Trust of Vermont and the Vermont Division of Historic Preservation, explains the regulatory framework governing post office locations. It also provides helpful case studies to show how several town were able to reverse sprawl-promoting location decisions. For a copy, go to <http://www.ptvermont.org/books.htm>.

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