



STATE OF GEORGIA
OFFICE OF THE GOVERNOR

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FACT SHEET

Commission for a New Georgia Recommends Strategic Business Approach to Manage Georgia's Capital Assets

Georgia spends \$700 million to \$1 billion annually on capital funding of more than 57 projects spanning 13 agencies. Georgia has the second largest consolidated funding volume of public construction in the U.S. The state property inventory encompasses over 11,000 facilities, valued at \$10.5 billion.

State government is the largest user of space in Georgia. This includes nearly 11 million square feet rented from the private sector through 1,044 separate leases costing over \$152 million a year. In the five county Metro area (Clayton, Cobb, DeKalb, Fulton, and Gwinnett), for example, there is 5.1 million sq. ft. of leased space involving 196 leases that costs the state \$86.3 million annually. Other examples include:

- Savannah – 792,000 sq. ft. of leased space, 24 leases, \$5.2 million annually
- Macon – 271,000 sq. ft. of leased space, 25 leases, \$3.7 million annually
- Columbus – 294,000 sq. ft. of leased space, 19 leases, \$2.5 million annually

The Commission for a New Georgia formed separate task forces to examine the state's space management and capital construction practices. The working membership of the two task forces included 27 executives in all, representing real estate, architecture, engineering, and construction professionals in the private and public sectors. Their studies involved more than 60 state agency administrators, legislators, consultants, and trade professionals, as well as looking at best practices in other states.

The task forces found that the management of state properties is a system of decentralized and fairly independent "silos" spread across Georgia in at least 90 state entities. At least five different agencies have fragmented or overlapping responsibilities for state property management, with varying levels of expertise. There is no single body accountable for "enterprise-wide" strategy, planning, policy and practices governing capital asset management. In addition, several large state organizations are exempt from the State Buildings Management Act, including the Board of Regents, Department of Labor, and

Department of Transportation. As a result, there is no comprehensive uniform data for analysis or standard practices for strategic management or planning statewide. The state's \$10.5 billion investment in current space is losing value due to poor maintenance, safety issues, and under-utilization.

State construction is governed by multiple policies and processes by different agencies and is marked by inconsistent documentation and performance feedback throughout the entire construction process. The result is a significant loss of time and money in contracting, constructing, and completing projects. The two task forces independently reached the conclusion that state property – real estate and space, both owned and leased, and capital construction projects – should be centrally governed to bring comprehensive and consistent state-wide standards, practices, and a strategic business approach to managing the state's largest capital investment.

The recommendations of the two task forces were combined for further study by a unified Implementation Team for Space Management and Capital Construction. The team of 14 administrators represented 11 agencies with substantial responsibility for state properties. The implementation team strongly concurred with the task force conclusions and recommendations.

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