

Issue 12: Facility Review – Park 35 Campus, Building F

A. Brief Description of Issue

TCEQ would like to reduce the annual \$3.6 million lease cost for the Colonnade (Building F) on the Park 35 headquarters campus by exiting the lease prior to the August 2027 termination date. A formal evaluation to determine if state costs can be reduced by vacating the leased facilities and further utilizing existing state-owned buildings requires one-time legislative funding, as well as assistance from Texas Facilities Commission (TFC).

B. Discussion

At headquarters located at 12100 Park 35 Circle in north Austin, TCEQ currently employs 1,900 individuals occupying six buildings. Five of the buildings are state-owned and the sixth building, Building F, is leased at an annual cost of \$3.6M per year. Ending TCEQ's lease will result in significant cost savings for the state.

Exiting the Building F lease is an ambitious undertaking requiring a close and agile partnership with TFC to plan, design, and execute strategies to relocate more than one-third of the employees in multiple divisions and programs to the existing five state-owned buildings. This effort will include a thorough evaluation of the agency's needs for physical space, including laboratories, equipment, facilities, parking, and public records; and ensure adequate meeting space and access to the Commissioners, executive management, and the Office of the Chief Clerk.

Prior to the COVID-19 pandemic, TCEQ anticipated transitioning to more remote working to support a scaled reduction in office space. While the pandemic initiated that transition much earlier than expected, the experience gave TCEQ an opportunity to evaluate best practices in remote working and more effective use of physical space. Since TCEQ staff remain highly productive working remotely, the redesign project will capitalize on experience gained. While the ultimate goal is to reduce state costs, expected additional benefits include employee engagement, staff retention, and exemplification of TCEQ's environmentally friendly mission. Moreover, redesigning use of Park35 facilities will result in more efficient delivery of public services, such as access to the agency's public records.

C. Possible Solutions and Impact

TCEQ has initiated discussions with TFC to develop an exit strategy from Building F prior to the 2027 lease end date. While TCEQ will be requesting funding during the 88th Legislative session for costs associated with reconfiguration of the existing state-owned buildings, TCEQ anticipates these costs will be offset by savings created from ending the lease early and discontinuing need for a long-term commercial lease at this location.