

# Report on Leases

**Department: Department of Corrections**

**Secretary: Wendy Kelley**

The purpose of this report is an analysis of leases within each Department and assist in the formulation of a report to the Governor on how to achieve greater efficiency and cost savings as it relates to leases. **The report template includes sections for three projects for your convenience. This number is not a goal or target. You may add or delete boxes for as many projects as you submit.**

## **ACTION PLAN FOR PROJECT 1:**

### **1. Project Title Complete Construction of Timex Property**

- 1.1. Brief description of project, goal, and action plan. The Division of Community Correction purchased the former Timex Warehouse. This property will allow the following leased locations to move into the renovated space utilizing the current lease payments for space exceeding \$1,000,000 to pay the bond payments for the Timex Property: Division of Community Correction Central Office, Parole Board, North Little Rock Parole Office, and North Little Rock Drug Court Program. The Division of Community Correction Training Academy, and the Criminal Detention Facility Review Office will move from state-owned space, and the Arkansas Sentencing Commission will move from the Main Street Mall. Renovations are expected to be complete in July 2020.**
- 1.2. Identify any additional resources required for the implementation and success of this plan. This plan will require the renovation of the warehouse space. Bonds have already been sold to fund the project. Architectural plans have been drawn up and approved. A contractor has been selected and started the renovation work.**
- 1.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs? The total project cost is approximately \$14,000,000. Bonds have been sold to fund the entire project cost. Lease savings will be reallocated for the bond payments.**
- 1.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc. Success will be measured by the Department's ability to move all the listed operations to this state-owned space.**
- 1.5. What is the implementation timeline and key action steps for this plan? How will you track progress? Renovations are expected to be complete in July 2020. Weekly meetings are being held with the Architect, the Contractor, and Department Leadership to track progress.**
- 1.6. Identify any obstacles to the implementation and success of this plan. Unforeseen delays caused by weather or material shortages may delay the project. Current leases expire; however, month-to-month options should be available until completion of the project.**
- 1.7. How could Department of Transformation and Shared Services provide support to the Department? There will be several thousand remaining square feet available in the building in addition to an adjacent building at this location. Any assistance in leasing this space would be appreciated.**

## **ACTION PLAN FOR PROJECT 2:**

### **2. Project Title Complete Transfer of the former Southeast Arkansas Community Correction Center**

- 2.1. Brief description of project, goal, and action plan. Act 160 of 2019 allows the Division of Community Correction to transfer the former Southeast Arkansas Community Correction facility in Pine Bluff to an Arkansas based non-profit serving veterans. Due to high maintenance costs at the Pine Bluff facility and the competition for staff with the Division of Correction, the program for female residents was moved to West Memphis in 2016. Since that time, the facility has leased a few buildings for a Reentry Program, expanded the Training Academy's space at the facility, but it has largely remained vacant.**
- 2.2. Identify any additional resources required for the implementation and success of this plan. The plan will require the selection of an approved non-profit and the approval of the Board of Corrections to transfer the property.**
- 2.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs? There are no anticipated costs associated with this plan. This plan will actually save the Department thousands of dollars in utility costs. Since 2016, the Division of Community Correction has spent over \$2,000,000 in utility payments to maintain the property while only occupying a small portion of it for the Training Academy and the Reentry Program.**
- 2.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc. Success will be determined by the Division's ability to transfer the property as authorized by law.**
- 2.5. What is the implementation timeline and key action steps for this plan? How will you track progress? A Veterans group has been identified that is willing to use the property for transitional housing for veterans and their families; however, their operational plans are not yet finalized. Division leadership is in regular conversation about the potential transfer.**
- 2.6. Identify any obstacles to the implementation and success of this plan. The transfer is contingent on the ability of an authorized non-profit to operate the facility.**
- 2.7. How could Department of Transformation and Shared Services provide support to the Department? None**

### **ACTION PLAN FOR PROJECT 3:**

#### **3. Project Title Continue Evaluation of Area Office Leases**

- 3.1. Brief description of project, goal, and action plan. This Division of Community Correction has over 50 current office leases. Thirteen (13) of those leases expire this fiscal year. The Division is also in need of larger space in Northwest Arkansas to meet the growing caseload size in that area as the population continues to grow.**
- 3.2. Identify any additional resources required for the implementation and success of this plan. None. The Division's Deputy Director continues to evaluate the terms of leases as they expire, to include the benefit of purchasing property versus leasing, as well as sharing space with other local, county or state agencies. All leases and/or purchases are presented to the Board of Corrections for approval.**
- 3.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs? There are no costs associated with the Division's continued review.**
- 3.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc. Success will be determined on an office by office basis. In some area leasing may be the most financially prudent option. There is also an urgent need to expand our operations in Northwest Arkansas to meet growing need.**
- 3.5. What is the implementation timeline and key action steps for this plan? How will you track progress? Ongoing.**
- 3.6. Identify any obstacles to the implementation and success of this plan. The majority of the Division's leases expire over the next several Fiscal Years.**
- 3.7. How could Department of Transformation and Shared Services provide support to the Department? TSS could provide assistance from the Division of Building Authority with securing space in Springdale due to the growing population in Northwest Arkansas.**

#### **Additional thoughts/comments:**