La. buys downtown building

Structure at 630 N. Fifth purchased for $385,000

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The state has purchased another piece of downtown property and expects to buy more this year for new state office buildings and parking garages, facility planning director Roger Magendie told the Downtown Development District Tuesday.

In its most recent acquisition, the state paid $385,000 for a vacant two-story, 15,000-square-foot office building at 630 N. Fifth St. It was owned by local businessman and oil company operator Dan Jumonville.

The state previously purchased a parking lot on the corner of North Street and N. Sixth Street from Hancock Bank for $250,000 and two tracts fronting North Street between Lafayette and Third streets from Hibernia National Bank for $1.9 million.

A 15-story office building and an 800- to 1,000 car, multi-level parking garage is proposed for the land fronting North Street between Lafayette and Third streets. To complete that site, the state is negotiating the purchase of Chapman Furniture Co. at 601 Third Street and City Pawn Shop at 617 Third St., Magendie said.

State officials also are trying to buy a 1,233-square-foot house at 614 N. Fifth St., Magendie said. That would complete ownership of another site for a 10-story office building bounded by North Fifth, North Sixth and North Street.

Additional property — the site of the defunct Inn on the Lake hotel — is targeted for a new six- to eight-story Division of Administration building. The state has a $3.95 million contract with Capitol Lake Properties Inc. under which the firm would acquire the hotel site and demolish the building before selling the property to the state.

The hotel is owned by Houston-based American General Life Insurance Co.; the land is owned and leased from a local family. The family and American General are working on changes in lease terms that would allow for the demolition of the hotel and sale of the property, said local architect/developer John M. "Pete" Clements, a principal in Capitol Lake Properties.

The state has allotted $14 million for the office consolidation and construction program, Magendie said. The $14 million should pay for the property acquisitions and construction plans.

About $4.5 million of the $14 million is in the top funding category of the state's capital outlay budget; other portions of the $14 million are in lower-priority categories. The state is exploring other funding and financing options for the office, Magendie said.

The state rents about 700,000 square feet of office space in East Baton Rouge Parish at a cost of about $6.4 million annually, Magendie said.

The state wants to convert the rent money into payments for state-built buildings downtown as part of an overall office consolidation plan. The consolidation would bring up to 2,500 workers downtown over the next three to five years.

The Department of Environmental Quality, located at Jimmy Swaggart Ministries on Bluebonnet, and the Department of Revenue and Taxation, located at 330 N. Ardenwood, account for more than half the state office space rented in Baton Rouge, Magendie said.

Magendie noted that the state is undertaking $50 million in construction projects in downtown Baton Rouge.

A line of credit will be sought from the state Bond Commission in September for construction of a $7.9 million First Circuit Court of Appeal building at the Old Our Lady of the Lake site behind the State Capitol. Construction monies should be available in 1993 for a new building and grounds structure on the same site. A new data processing center for that site is in a low priority funding category.

Renovations for the Department of Natural Resources buildings are in a high priority funding category, Magendie said. A State Library expansion is in a low priority funding category.