



HALEY BARBOUR  
GOVERNOR

STATE OF MISSISSIPPI  
OFFICE OF THE GOVERNOR

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September 30, 2011

To the Members of the Mississippi Legislature:

During the Regular Session of 2011, the Legislature passed Senate Bill 3100 which directed the Department of Finance and Administration to select a site on state-owned property to locate a new headquarters building for the Mississippi Department of Revenue (DOR). As an additional measure, I asked DFA expand its study to include an analysis of the best site for the DOR headquarters from any property or location in Hinds County and not limit the analysis to those sites currently owned by the state.

Cushman and Wakefield, which was hired by DFA to conduct this study, found that the Landmark Center in downtown Jackson offered the best financial benefit to the state while also meeting the functional and locational requirements of the Department of Revenue. **Compared to new construction at the recommended state-owned site (which is estimated to cost \$43.8 million), leasing the Landmark Center will save taxpayers approximately \$16.7 million over the course of a 20-year lease and approximately \$14.1 million over the course of a 40-year lease on a net present value basis.**

While the current estimates for the Landmark Center include costs associated with a warehouse and print shop (approximately 33,000 square feet), consideration should be given to moving these operations to a separate facility to achieve even greater cost savings.

Furthermore, I believe it is important to the state's overall image to ensure the central business district of Mississippi's capital city remains healthy and economically viable. Recent statistics show that Jackson's vacancy rate is approximately 27 percent – a figure too large to ignore. Leasing the Landmark Center will be an economic boost to Jackson by keeping the building on the city's tax rolls, as well as supporting growth in downtown business activities.

Due to the significant cost-savings and positive impact on downtown Jackson, I strongly recommend the 2012 Legislature pass the legislation required to authorize the leasing of the Landmark Center as the new headquarters of the Department of Revenue. This will result in approximately \$14 to \$16 million in savings to taxpayers while meeting the needs of the Department of Revenue in both the short- and long-term.

Sincerely,

A handwritten signature in black ink, appearing to read "Haley Barbour".

Haley Barbour