PROSPECTUS – BUILDING ACQUISITION
IRS ANNEX BUILDING PURCHASE
AUSTIN, TX

Prospectus Number: PTX-1665-AU16
Congressional District: 35

FY2016 Project Summary

The General Services Administration (GSA) proposes to acquire the Internal Revenue Service (IRS) Annex Building located at 2021 Woodward Street in Austin, TX. The leased facility provides 144,101 rentable square feet of space and 179 parking spaces and is currently occupied entirely by the IRS. In addition to acquiring the building, GSA proposes to modernize the HVAC, electrical, and fire and life safety systems to improve the safety and efficiency for long term use of the building. Purchase will reduce the Government's rental payment to the private sector by approximately $1,163,000 annually.

This project was among those previously included in GSA's FY 2015 Capital Investment Program. The prospectus was not approved by the Senate Committee on Environment and Public Works and the House Committee on Transportation and Infrastructure, and the project could not be accommodated within the enacted level. GSA is resubmitting the project in FY 2016.

FY2016 Committee Approval and Appropriation Requested

(Site, Design, ECC, M&I).....$11,887,000

Building

The IRS Annex was built in 1979 by the lessor and is a single story tilt-up pre-cast concrete building. The building is co-located on a 57-acre campus with federally-owned buildings housing a regional IRS Service Center, a Department of Veterans Affairs administrative facility, and the U.S. Department of the Treasury Financial Management Service. The campus is bounded by East Woodward Street on the North and East, IH-35 on the West and U.S. Highway 290 on the South. The location of the IRS annex on this campus is critical to the IRS mission since trucks make daily runs between the Annex, Service Center, Compliance Center and other IRS locations transporting supplies, furniture and tax returns.

Project Budget

Building and Site Acquisition	$9,027,000
Design	330,000
Estimated Construction Cost (ECC)	2,223,000
Management and Inspection (M&I)	307,000
Estimated Total Project Cost (ETPC)*	**$11,887,000**

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*Tenant agencies may fund an additional amount for tenant improvements above the standard normally provided by the GSA.

FY2016 Committee Approval and Appropriation Requested

(Site, Design, ECC, M&I).....$11,887,000

Schedule	**Start**	**End**
Acquisition and Design	FY2016	FY2016
Construction	FY2016	FY2017

Overview of Project

The project proposes acquisition of the building currently leased by GSA for the IRS. The facility provides office, warehouse and light industrial storage space for IRS adjacent to the main IRS Service Center Building in Austin, TX. In addition, the warehouse is located in close proximity to four other IRS leases located in southeast Austin. The project also proposes alterations to include upgrade of some demising walls, repairs to the dry sprinkler system, lead paint abatement, mechanical upgrades to HVAC, replacement of main switch board and roof work.

Tenant Agencies

Internal Revenue Service

Major Work Items

HVAC	$1,545,000
Interior Construction	326,000
Electrical	110,000
Hazardous Abatement	161,000
Life Safety	72,000
Roofing	9,000
Total ECC	**$2,223,000**

Justification

The Annex is an integral part of the tax return submission processing pipeline. As a receiving point for mail during tax season and a holding place for the completed returns, this building is the first and last stop for tax returns through the pipeline. It is entirely within the secure fenced campus perimeter and is tied in to the communications, security

and fire alarm systems in the IRS Service Center. The IRS Annex building is the only part of the 57-acre campus facility that is not federally owned. Ownership of the annex would provide greater flexibility for future development of the campus site as needed for IRS or other agencies. Additionally, purchase of the IRS Annex will reduce the Government's rental payment to the private sector by approximately $1,163,000 annually.

An assessment of the existing facility was completed to determine what improvements would be required for the building to come under federal ownership. Life safety issues to be addressed in the building include an upgrade of some demising walls in order to maintain fire resistance per code, repairs to the dry sprinkler system, and lead paint abatement. Mechanical upgrades to the HVAC are needed for energy efficiency and tenant comfort. Electrical upgrades needed include replacing the main switch board to comply with code. Roof work includes adding walkways to preserve the integrity of the roof surface.

Summary of Energy Compliance

This project will be designed to conform to requirements of the Facilities Standards for the Public Buildings Service and will implement strategies to meet the Guiding Principles for High Performance and Sustainable Buildings. GSA encourages design opportunities to increase energy and water efficiency above the minimum performance criteria.

Prior Appropriations

None

Prior Committee Approvals

None

Prior Prospectus-Level Projects in Building (past 10 years):

None

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Alternatives Considered (30-year, present value cost analysis)

Purchase: $51,660,000
Lease:.....$123,883,000
New Construction:.....$65,691,000

The 30-year, present value cost of purchase is $14,032,000 less than the cost of new construction with an equivalent annual cost advantage of $716,000.

Recommendation

ACQUISITION/ALTERATION

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Certification of Need

The proposed project is the best solution to meet a validated Government need.

Submitted at Washington, DC, on February 2, 2015

Recommended: _____
Commissioner, Public Buildings Service

Approved: _____
Administrator, General Services Administration