



Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515

Peter A. DeFazio
Ranking Member

Christopher P. Bertram, Staff Director

Katherine W. Dedrick, Democratic Staff Director

COMMITTEE RESOLUTION

LEASE
ENVIRONMENTAL PROTECTION AGENCY
PHILADELPHIA, PA
PPA-01-PH17

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, appropriations are authorized for a lease of up to 222,000 rentable square feet of space, including 15 official parking spaces, for the U.S. Environmental Protection Agency currently located at 1650 Arch Street in Philadelphia, Pennsylvania at a proposed total annual cost of \$8,436,000 for a lease term of up to 20 years, a prospectus for which is attached to and included in this resolution.

Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to the execution of the new lease.

Provided that, the Administrator of General Services and tenant agencies agree to apply an overall utilization rate of 200 square feet or less per person, except that, if the Administrator determines that the overall utilization rate cannot be achieved, the Administrator shall provide an explanatory statement to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Provided that, except for interim leases as described above, the Administrator may not enter into any leases that are below prospectus level for the purposes of meeting any of the requirements, or portions thereof, included in the prospectus that would result in an overall utilization rate of 200 square feet or higher per person.

Provided that, to the maximum extent practicable, the Administrator shall include in the lease contract(s) a purchase option.

Provided further, that the Administrator shall require that the delineated area of the procurement is identical to the delineated area included in the prospectus, except that, if the Administrator determines that the delineated area of the procurement should not be identical to the delineated area included in the prospectus, the Administrator shall provide an explanatory statement to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Provided further, that the General Services Administration shall not delegate to any other agency the authority granted by this resolution.

Adopted: **September 14, 2016**

A handwritten signature in blue ink, appearing to read "Bill Shuster". The signature is stylized and written in a cursive-like font.

Bill Shuster, M.C.
Chairman

**PROSPECTUS – LEASE
ENVIRONMENTAL PROTECTION AGENCY
PHILADELPHIA, PA**

Prospectus Number: PPA-01-PH17
Congressional District: 1, 2

Executive Summary

The General Services Administration (GSA) proposes a lease for approximately 222,000 rentable square feet (RSF) of space for the U.S. Environmental Protection Agency (EPA), currently located in leased space at 1650 Arch Street, Philadelphia, PA.

The proposed lease will enable EPA to provide continued housing as well as more modern, streamlined, and efficient operations. It will significantly improve space utilization, as the office utilization rate will be improved from 170 to 120 usable square feet (USF) per person, and the overall utilization rate from 278 to 200 USF per person, and reduce EPA's footprint at this location by 86,000 RSF.

Description

Occupant:	Environmental Protection Agency
Current Rentable Square Feet (RSF):	307,847 (Current RSF/USF = 1.15)
Estimated Maximum RSF:	222,000 (Proposed RSF/USF = 1.15)
Expansion/Reduction RSF:	85,847 (Reduction)
Current Usable Square Feet/Person:	278
Estimated Usable Square Feet/Person:	200
Proposed Maximum Lease Term:	20 Years
Expiration Dates of Current Leases:	05/31/2018
Delineated Area:	The Philadelphia Central Business District bounded by: North – Girard Ave South – Washington Ave to Rail Line crossing the Schuylkill River East – Delaware River to Columbia Ave West – Schuylkill River to Spring Garden Street to 40 th Street to Woodland Ave to University Ave
Number of Official Parking Spaces:	15
Scoring:	Operating lease
Estimated Rental Rate ¹ :	\$38.00 / RSF
Estimated Total Annual Cost ² :	\$8,436,000

¹This estimate is for fiscal year 2018 and may be escalated by 2.0 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced including all operating expenses whether paid by the lessor or directly by the Government. GSA will conduct the procurement using prevailing market rental rates as a benchmark for the evaluation of competitive offers and as a basis for negotiating with offerors to ensure that lease award is made in the best interest of the government.

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Current Total Annual Cost: \$6,820,937 (Lease effective 06/01/1998)

Background

The Environmental Protection Agency (EPA) is currently located in an approximately 308,000 RSF leased location at 1650 Arch Street, Philadelphia, PA. This primarily office space serves as a Regional office for the EPA. The lease expires May 31, 2018, and a long-term housing solution is needed for the agency. This prospectus request seeks authority to procure a long-term leasing solution for this requirement.

Acquisition Strategy

GSA is planning to satisfy this requirement through a single award solicitation. All offers must provide space consistent with the delineated area defined by this prospectus.

Justification

EPA has developed a program of requirements for replacement space to house its Region 3 Regional Headquarters in Philadelphia, PA. The proposed requirements utilize new space standards developed to improve space efficiency and employee productivity and will reduce EPA's footprint by 85,847 RSF. In the absence of this reduction, the status quo cost of continued occupancy at the proposed market rental rate would be \$11,698,186 per year.

Summary of Energy Compliance

GSA will incorporate energy efficiency requirements into the Request for Lease Proposals and other documents related to the procurement of space based on the approved prospectus. GSA encourages offerors to exceed minimum requirements set forth in the procurement and to achieve an energy Star performance rating of 75 or higher.

²New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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Resolutions of Approval

Resolutions adopted by the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works approving this prospectus will constitute approval to make appropriations to lease space in a facility that will yield the required rentable area.

Interim Leasing

GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the new lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

Certification of Need

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

Submitted at Washington, DC, on JUN 06 2016

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Administrator, General Services Administration

Leased Locations	CURRENT						ESTIMATED/PROPOSED					
	Personnel			Usable Square Feet (USF) ¹			Personnel			Usable Square Feet (USF)		
	Office	Total	962	Office	Storage	Special	Total	Office	Storage	Special	Total	
1650 Arch Street	913	962	198,411	4,290	64,995	267,696	913	962	4,000	48,870	192,830	
Estimated/Proposed Lease							913	962	4,000	48,870	192,830	
Total	913	962	198,411	4,290	64,995	267,696	913	962	4,000	48,870	192,830	

Office Utilization Rate (UR) ²		
Rate	Current	Proposed
	170	120

UR=average amount of office space per person
 Current UR excludes 43,650 usf of office support space
 Proposed UR excludes 30,791 usf of office support space

Overall UR ²		
Rate	Current	Proposed
	278	200

R/U Factor ⁴			
	Total USF	RSF/USF	Max RSF
Current	267,696	1.15	307,847
Estimated/Proposed	192,830	1.15	222,000

NOTES:

- ¹USF means the portion of the building available for use by a tenant's personnel and furnishings and space available jointly to the occupants of the building.
- ²Calculation excludes Judiciary, Congress and agencies with less than 10 people
- ³USF/Person = housing plan total USF divided by total personnel.
- ⁴R/U Factor = Max RSF divided by total USF

Special Space	USF
Conference/Training	11,420
Computer/Server	2,900
High Density Filing	9,340
Mail Room	2,100
Regional Response Center	3,000
Library	2,500
Security	1,000
Gym	6,220
Pub. Information Center	1,340
Distributed Copy/Recycling	2,200
Break Room/Employee Activities	4,750
Evidence Rooms	1,450
Credit Union	250
Secure Work Rooms	400
Total	48,870