



**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**  
**PENSION BENEFIT GUARANTY CORPORATION**  
**WASHINGTON, DC**  
**PDC-10-WA17**

*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 431,800 rentable square feet of space, including 9 official parking spaces, for the Pension Benefit Guaranty Corporation currently located at 1200 K Street, 1225 I Street, and 1275 K Street, NW in Washington, D.C. at a proposed total annual cost of \$21,590,000 for a lease term of up to 15 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 199 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 199 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 that can be exercised at the conclusion of the firm term of the lease.*

*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 written in a cursive style with a prominent initial "B".

Bill Shuster, M.C.  
Chairman

**PROSPECTUS – LEASE  
PENSION BENEFIT GUARANTY CORPORATION  
WASHINGTON, DC**

Prospectus Number: PDC-10-WA17

**Executive Summary**

The General Services Administration (GSA) proposes a lease for approximately 431,800 rentable square feet (RSF) of space for the Pension Benefit Guaranty Corporation (PBGC), currently located in three leases at 1200 K Street, 1225 I Street, and 1275 K Street in Washington, DC.

The lease will provide continued housing for PBGC and will improve PBGC's office and overall utilization rate from 125 to 111 usable square feet (USF) per person, and 216 to 199 USF per person, respectively, while housing current personnel in 35,360 RSF less than the total of its current occupancies.

**Description**

Occupant:	Pension Benefit Guaranty Corporation
Current Rentable Square Feet (RSF)	467,160 (Current RSF USF = 1.20)
Estimated Maximum RSF:	431,800 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF:	35,360 (Reduction)
Current Usable Square Feet/Person:	216
Estimated Usable Square Feet/Person:	199
Proposed Maximum Lease Term:	15 Years
Expiration Dates of Current Leases:	12/10/18
Delineated Area:	Washington, DC, Central Employment Area
Number of Official Parking Spaces:	9
Scoring:	Operating lease
Estimated Rental Rate <sup>1</sup> :	\$50.00 / RSF
Estimated Total Annual Cost <sup>2</sup> :	\$21,590,000
Current Total Annual Cost:	\$25,210,054 (Leases effective 12/11/2008, and 10/01/2014)

<sup>1</sup>This estimate is for fiscal year 2018 and may be escalated by 1.95 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.

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

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**Background**

The PBGC mission is to protect the retirement incomes of more than 40 million American workers in more than 26,000 private-sector defined benefit pension plans. PBGC was created by the Employee Retirement Income Security Act (ERISA) of 1974 to encourage the continuation and maintenance of private-sector defined benefit pension plans, provide timely and uninterrupted payment of pension benefits, and keep pension insurance premiums at a minimum.

**Justification**

PBGC maintains three headquarter leases located at 1200 K Street NW, 1275 K Street NW, and 1225 I Street NW, in Washington, DC. These leases are coterminous, expiring December 2018. The PBGC has a continuing need for headquarters office and support space to fulfill its mission. Consolidating the three existing leases will streamline operations and improve PBGC's footprint by 35,360 RSF. Without this reduction, the status-quo cost of continued occupancy would be \$23,358,000.

**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.

**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.

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**Certification of Need**

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

Submitted at Washington, DC, on June 9, 2016

Recommended:

  
Commissioner, Public Buildings Service

Approved:

  
Administrator, General Services Administration

Leased Locations	CURRENT						ESTIMATED/PROPOSED					
	Personnel		Usable Square Feet (USF) <sup>1</sup>			Total	Personnel		Usable Square Feet (USF)			Total
	Office	Total	Office	Storage	Special		Office	Total	Office	Storage	Special	
1200 K St., NW	1,383	1,383	240,286	9,911	69,984	320,181						
1225 I St., NW	47	47	6,838	634	2,600	10,166						
1275 K St., NW	374	374	41,999	1,080	14,865	58,692						
Estimated/Proposed Lease							1,804	1,804	257,721	14,461	87,651	359,833
<b>Total</b>	<b>1,804</b>	<b>1,804</b>	<b>289,123</b>	<b>11,625</b>	<b>87,449</b>	<b>389,039</b>	<b>1,804</b>	<b>1,804</b>	<b>257,721</b>	<b>14,461</b>	<b>87,651</b>	<b>359,833</b>

Office Utilization Rate (UR) <sup>2</sup>		
Rate	Current	Proposed
	125	111

UR=average amount of office space per person  
 Current UR excludes 63,607 usf of office support space  
 Proposed UR excludes 56,699 usf of office support space

Overall UR <sup>3</sup>		
Rate	Current	Proposed
	216	199

R/U Factor <sup>4</sup>		
Rate	Total USF	RSF/USF
Current	389,039	1.20
Estimated/Proposed	359,833	1.20
		431,800

NOTES:

<sup>1</sup>USF 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.

<sup>2</sup>Calculation excludes Judiciary, Congress and agencies with less than 10 people

<sup>3</sup>USF/Person = housing plan total USF divided by total personnel.

<sup>4</sup>R/U Factor = Max RSF divided by total USF

Special Space	USF
Conference and Training	50,186
Security Lobby	2,335
Café	7,824
Library/High Density File Room	3,424
Specialty Rooms	2,012
Mail Room	870
Open Work Areas	512
Copy Room	6,912
Back-up Generator	1,834
IT/Telecom	8,318
OIG Server Room	352
Phone Booth	3,072
<b>Total</b>	<b>87,651</b>