



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

COMMITTEE RESOLUTION

Katherine W. Dedrick, Democratic Staff Director

LEASE
INTERNAL REVENUE SERVICE
AUSTIN, TX
PTX-01-AU17

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 219,000 rentable square feet of space for the Department of the Treasury, Internal Revenue Service National Office currently located at 1821 Director's Boulevard in Austin, Texas at a proposed total annual cost of \$8,103,000 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 190 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 190 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**



Bill Shuster, M.C.
Chairman

**PROSPECTUS – LEASE
INTERNAL REVENUE SERVICE
AUSTIN, TX**

Prospectus Number: PTX-01-AU17
Congressional District: 35

Executive Summary

The General Services Administration (GSA) proposes a lease of approximately 219,000 rentable square feet (RSF) of space for the Department of the Treasury - Internal Revenue Service (IRS) National Office, currently located in leased space at 1821 Director's Boulevard in Austin, TX.

The lease will provide continued housing for IRS and will improve office and overall space utilization rates (UR) from 129 to 125 usable square feet (USF) per person and from 197 to 190 USF per person, respectively.

Description

| | |
|--|--|
| Occupant: | Internal Revenue Service |
| Current Rentable Square Feet (RSF) | 206,000 (Current RSF/USF = 1.08) |
| Estimated Maximum RSF: | 219,000 (Proposed RSF/USF = 1.15) |
| Expansion/Reduction RSF: | None |
| Current Usable Square Feet/Person: | 197 |
| Estimated Usable Square Feet/Person: | 190 |
| Proposed Maximum Lease Term: | 15 Years |
| Expiration Dates of Current Leases: | 4/30/18 |
| Delineated Area: | Delineated area bounded by: North - E. Ben White Blvd South - E. William Cannon Dr. to McKinney Falls Pkwy to State Hwy 183 East - Hwy 183 West - I-35 |
| Number of Official Parking Spaces: | 0 |
| Scoring: | Operating lease |
| Estimated Rental Rate ¹ : | \$37.00/RSF |
| Estimated Total Annual Cost ² : | \$8,103,000 |

¹This estimate is for fiscal year 2017 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.

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

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| | |
|----------------------------|--|
| Current Total Annual Cost: | \$4,422,000 (Lease effective 5/01/2008) |
|----------------------------|--|

Acquisition Strategy

In order to maximize the flexibility in acquiring space to house IRS, GSA may issue a single, multiple-award solicitation that will allow offerors to provide blocks of space able to meet requirements in whole or in part. All offers must provide space consistent with the delineated area defined by this prospectus.

Justification

The IRS has a long-term need for space in southeast Austin to meet the agency mission of providing toll-free tax assistance, collection services, and post-processing compliance examinations of individual tax returns, and has a need to remain near the main IRS Submission Processing Campus and other nearby IRS facilities located in Austin.

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.

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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 August 25, 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 | Office | Special | Office | Total | Office | Special |
| 1821 Director's Blvd | | | 160,349 | 30,352 | | 190,701 | 160,349 | 30,352 |
| Estimated/Proposed Lease | | | | | | | | |
| Total | 969 | 969 | 160,349 | 30,352 | 1,002 | 190,701 | 160,349 | 30,352 |

| Office Utilization Rate (UR) ² | | |
|---|---------|----------|
| Rate | Current | Proposed |
| | 129 | 125 |

UR=average amount of office space per person
 Current UR excludes 35,277 usf of office support space
 Proposed UR excludes 35,277 usf of office support space

| Overall UR ² | | |
|-------------------------|---------|----------|
| Rate | Current | Proposed |
| | 197 | 190 |

| R/U Factor ⁴ | | | |
|-------------------------|-----------|---------|---------|
| | Total USF | RSF/USF | Max RSF |
| Current | 190,701 | 1.08 | 206,000 |
| Estimated/Proposed | 190,701 | 1.15 | 219,000 |

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 | 11,695 |
| Food Service | 6,953 |
| Storage/Mail Room/Copier | 5,603 |
| ADP | 3,097 |
| Reception/Lobby/Security | 2,116 |
| Health Unit | 578 |
| Credit Union | 310 |
| Total | 30,352 |

This facility houses employees that work in two or more shifts. The current and proposed population reflects the maximum employees in any one shift. A total of 1342 employees are currently assigned to this location.