



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

Washington, DC 20515

Bill Shuster
Chairman

Nick J. Rahall, III
Ranking Member

COMMITTEE RESOLUTION

Christopher P. Bertram, Staff Director

James H. Zoia, Democrat Staff Director

LEASE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC
PDC-01-WA14

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 replacement lease of up to 86,000 rentable square feet of space for four Department of Housing and Urban Development components currently located at 550 12th Street, SW, Washington, DC, at a proposed total annual cost of \$4,300,000 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 183 square feet or less per person.

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 183 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: December 4, 2013

Bill Shuster, M.C.
Chairman

**PROSPECTUS – LEASE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC**

Prospectus Number: PDC-01-WA14

Executive Summary

The General Services Administration (GSA) proposes a replacement lease of up to 86,000 rentable square feet (rsf) of space for the Department of Housing and Urban Development (HUD) in Washington, DC. HUD is currently located at 550 12th Street, SW, Washington, DC under a lease that expires on April 25, 2014. This location houses five HUD components: Real Estate Assessment Center (REAC); HUD's Inspector General (IG); Public and Indian Housing (PIH); Grants Management Center (GMC); and Government National Mortgage Administration (GNMA). The prospectus addresses the requirements of four of these components: REAC, IG, PIH, and GMC. The fifth component, GNMA, will be moved by HUD to a separate location in a below prospectus lease action.

The office utilization rate for the four HUD components will improve from 128 USF to 127 USF per person and the overall utilization rate from 185 USF to 183 USF per person.

Description

Occupant:	HUD
Lease Type	Replacement
Current Rentable Square Feet:	78,006 (Current RSF/USF = 1.09)
Proposed Maximum RSF:	86,000 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF ¹ :	None
Current Usable Square Feet/Person:	185
Proposed Usable Square Feet/Person:	183
Proposed Maximum Lease Term:	15 years
Expiration Dates of Current Lease(s):	4/25/2014
Delineated Area:	Washington, DC CEA
Number of Official Parking Spaces:	None
Scoring:	Operating Lease
Maximum Proposed Rental Rate ² :	\$50.00

¹ The RSF/USF at the current location is approximately 1.11. However to maximize competition a RSF/USF ratio of 1.20 is used for the proposed maximum RSF indicated in this prospectus.

² This estimate is for fiscal year 2014 and may be escalated by 1.9 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. Lease award shall not exceed the maximum rental rate as specified in this prospectus.

**PROSPECTUS – LEASE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC**

Prospectus Number: PDC-01-WA14

Proposed Total Annual Cost ³ :	\$4,300,000
Current Total Annual Cost:	\$3,464,308

Background

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; and build inclusive and sustainable communities free from discrimination.

Justification

The current lease for HUD at 550 12th Street, SW, Washington, DC expires on April 25, 2014 and HUD requires continued housing to carry out its mission. This prospectus seeks approval to house the following four components of HUD: REAC, IG, PIH, and GMC.

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.

³ Any new lease may contain an annual escalation clause to provide for increases or decreases in real estate taxes and operating costs.

**PROSPECTUS - LEASE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC**

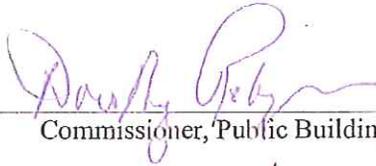
Prospectus Number: PDC-01-WA14

Certification of Need

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

Submitted at Washington, DC, on September 30, 2013

Recommended:



Commissioner, Public Buildings Service

Approved:



Administrator, General Services Administration

April 2013

Housing Plan
Department of Housing and Urban Development

PDC-01-WA14
Washington, DC

Locations	CURRENT						PROPOSED					
	Personnel			Usable Square Feet (USF) ¹			Personnel			Usable Square Feet (USF)		
	Office	Total	UR	Office	Storage	Special	Office	Total	UR	Storage	Special	Total
550 12th St. S.W. Washington, DC	386	386	386	63,300	600	7,400	390	390	390	63,300	600	7,400
Proposed Lease, Washington, DC	386	386	386	63,300	600	7,400	390	390	390	63,300	600	7,400
Total												

Special Space	USF
Health Unit	150
Food Service Area	1,000
Computer Room	1,050
Conference/Training	4,700
Filing Room	500
Total	7,400

Office Utilization Rate (UR) ²	Current	Proposed
Rate	128	127

UR=average amount of office space per person
Current UR excludes 13,926 usf of office support space
Proposed UR excludes 13,926 usf of office support space

Overall UR ³	Current	Proposed
Rate	185	183

R/U Factor ⁴	Total USF	RSF/USF	Max RSF
Current	71,300	1.09	78,006
Proposed	71,300	1.20	86,000

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

United States Senate
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

COMMITTEE RESOLUTION

**REPLACEMENT LEASE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC
PDC-01-WA14**

**RESOLVED BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS OF THE
UNITED STATES SENATE**

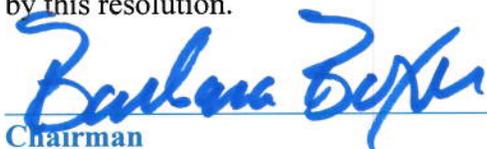
that pursuant to title 40 U.S.C. § 3307, a prospectus providing for a replacement lease of up to a maximum 86,000 rentable square feet of space, for the Department of Housing and Urban Development, currently located at 550 12th Street, SW, in Washington, D.C., at a maximum proposed rental rate of \$50.00 per rentable square foot, at a proposed total annual cost of \$4,300,000 for a lease term of up to 15 years, a description of which is attached hereto and by reference made part of this resolution, is approved.

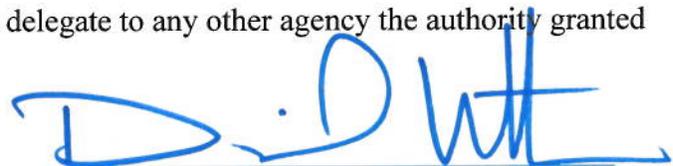
Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to execution of the new lease.

Provided, that to the maximum extent practicable, the Administrator of General Services shall require that the procurement include requirements requiring energy efficiency as would be required for the construction of a federal building.

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 Environment and Public Works of the United States Senate prior to exercising any lease authority provided in this resolution.

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


Chairman


Ranking Member

Adopted: April 3, 2014