

**PROSPECTUS – LEASE
U.S. DEPARTMENT OF DEFENSE
ARMY CORPS OF ENGINEERS
BALTIMORE, MD**

Prospectus Number: PMD-01-BA16
Congressional District: 3,7

Executive Summary

The General Services Administration (GSA) proposes a replacement lease of up to 143,000 rentable square feet (RSF) for the Department of Defense - Army Corps of Engineers (ACE), currently located at 10 South Howard Street, Baltimore, MD, under one lease that was effective in 1993.

The replacement lease will provide continued housing for ACE and will improve ACE office and overall utilization rates from 133 to 108 usable square feet (USF) per person and 227 to 183 USF per person, respectively. As a result of the improved utilization, the replacement lease will reduce the rentable square footage of the requirement by 19 percent, a 33,332 RSF reduction from the total of its current occupancy. In the absence of this reduction, the status quo cost of continued occupancy at the proposed market rental rate would be \$5,818,956.

Description

Occupant:	Army Corps of Engineers
Lease Type	Replacement
Current Rentable Square Feet (RSF)	176,332 (Current RSF/USF = 1.15)
Proposed Maximum RSF:	143,000 (Proposed RSF/USF = 1.15)
Reduction RSF:	33,332
Current Usable Square Feet/Person:	227
Proposed Usable Square Feet/Person:	183
Proposed Maximum Lease Term:	20 Years
Expiration Dates of Current Leases:	3/30/2018
Delineated Area:	Baltimore Central Business District
Number of Official Parking Spaces ¹ :	44
Scoring:	Operating lease

¹ ACE security requirements may necessitate control of the parking at the leased location. This control may be accomplished as a lessor-furnished service, as a separate operating agreement with the lessor, or as part of the Government's leasehold interest in the building.

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Maximum Proposed Rental Rate ² :	\$33.00 / RSF
Proposed Total Parking Cost ³ :	\$123,200
Proposed Total Lease Cost ⁴ :	\$4,719,000
Proposed Total Annual Cost	\$4,842,200
Current Total Annual Cost:	\$4,562,710 (Lease effective 3/31/1993)

Justification

The City Crescent Building, at 10 South Howard Street, houses the ACE headquarters office for the Baltimore District, which supports infrastructure projects in five states; the District of Columbia; the watersheds of the Susquehanna and Potomac Rivers, and the Chesapeake Bay; and overseas and provides emergency response during disasters. The City Crescent Building houses ACE and several other agencies under one lease agreement.

A number of the other tenant agencies in the building plan to backfill vacancies in nearby Federal Buildings; ACE will continue to be housed in leased space because there is no federally owned space large enough to accommodate the requirement.

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.

²This estimate is for fiscal year 2018 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.

³This estimate is for fiscal year 2018 and may be escalated by 1.9% percent annually to the effective date of the lease to account for inflation.

⁴New 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 September 8, 2015

Recommended: _____


Commissioner, Public Buildings Service

Approved: _____


Administrator, General Services Administration