

**PROSPECTUS – LEASE
ENVIRONMENTAL PROTECTION AGENCY
NORTHERN VIRGINIA**

Prospectus Number: PVA-02-WA16
Congressional District: VA-8, 10, 11

Executive Summary

The General Services Administration (GSA) proposes a lease extension of 326,057 rentable square feet (RSF) for the Environmental Protection Agency (EPA), currently located at 2777 Crystal Drive (One Potomac Yard) and 2733 Crystal Drive in Arlington, Virginia. The 5 year lease extension will consolidate the EPA functions housed in 2733 Crystal Drive into One Potomac Yard while EPA and GSA develop and budget for EPA's long-term consolidation into federally owned space.

Description

Occupant:	Environmental Protection Agency
Lease Type	Extension
Current Rentable Square Feet (RSF)	453,651 (Current RSF/USF = 1.14)
Proposed Maximum RSF:	326,057 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF:	127,594 Reduction
Current Usable Square Feet/Person:	275
Proposed Usable Square Feet/Person:	196
Proposed Maximum Leasing Authority:	5 years
Expiration Dates of Current Lease(s):	03/01/2016 (2777 Crystal Drive) 04/05/2016 (2733 Crystal Drive)
Delineated Area:	2777 Crystal Drive, Arlington, Virginia
Number of Official Parking Spaces:	15 spaces
Scoring:	Operating Lease
Maximum Proposed Rental Rate ¹ :	\$39.00 / RSF

¹ This estimate is for fiscal year 2016 and may be escalated by 1.8 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 the 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.

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Proposed Total Annual Cost ² :	\$12,716,223
Current Total Annual Cost:	\$16,674,749 (leases effective 03/02/2006 and 04/06/2006)

Justification

In the short term, the consolidation of functions at One Potomac Yard will eliminate the need for 127,594 rentable square feet of leased space at 2733 Crystal Drive with an annual lease cost avoidance of approximately \$5.6 million. Long term, EPA is continuing to reduce its footprint in the national capital region and will continue to consolidate functions within federally owned space. GSA and EPA will be requesting funding for the consolidation in a future fiscal year. The lease extension will allow EPA and GSA to budget for move and relocation costs, conduct assessment studies, and any necessary renovation costs to implement the best overall long term strategy for EPA in the Washington Metropolitan market area. The current leases expire on March 1, 2016, and April 5, 2016, respectively. In the absence of this reduction, the status quo cost of continued occupancy at the proposed market rental rate would be \$17,692,389.

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.

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

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Interim Leasing

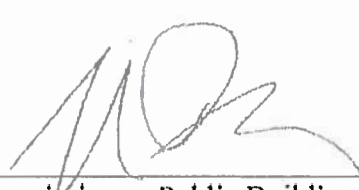
GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the new lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

Certification of Need

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

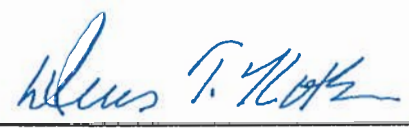
Submitted at Washington, DC, on September 8, 2015

Recommended: _____



Commissioner, Public Buildings Service

Approved: _____



Administrator, General Services Administration