

**PROSPECTUS – LEASE
U.S. DEPARTMENT OF DEFENSE
ARMY CORPS OF ENGINEERS
SAN FRANCISCO, CA**

Prospectus Number: PCA-03-SF16
Congressional District:12

Executive Summary

The General Services Administration (GSA) proposes a lease extension of up to 71,728 rentable square feet (RSF) of space for the Department of Defense - Army Corps of Engineers (ACE), currently located at 1455 Market Street, San Francisco, CA.

The proposed lease will continue to house ACE while space is completed and readied for occupancy in the Phillip Burton Federal Building-U.S. Courthouse. ACE will maintain its current office utilization rate of 130 useable square feet (USF) per person and all-in utilization rate of 204 USF per person.

Description

Occupant:	Army Corps of Engineers
Lease Type	Extension
Current Rentable Square Feet (RSF)	71,728 (Current RSF/USF = 1.14)
Proposed Maximum RSF:	71,728 (Proposed RSF/USF = 1.14)
Expansion/Reduction RSF:	None
Current Usable Square Feet/Person:	204
Proposed Usable Square Feet/Person:	204
Proposed Maximum Lease Term:	2 Years
Expiration Dates of Current Leases:	02/19/2017
Delineated Area:	1455 Market Street, San Francisco, CA
Number of Official Parking Spaces:	None
Scoring:	Operating lease
Maximum Proposed Rental Rate ¹ :	\$65.00 / RSF

¹This estimate is for fiscal year 2017 and may be escalated by 1.6 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 negotiating this lease extension 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	\$4,662,320
Current Total Annual Cost:	\$2,610,462 (Lease effective 02/20/2007)

Justification

The Army Corps of Engineers is currently located at 1455 Market Street and will be moving into the Phillip Burton Federal Building-U.S. Courthouse upon completion of its space in 2018. ACE recently reduced its square footage at 1455 Market from 89,995 RSF to 71,728 RSF in an effort to reduce costs and improve utilization. When ACE moves to the Federal Building in 2018, it will occupy approximately the same square footage as the existing lease.

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.

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

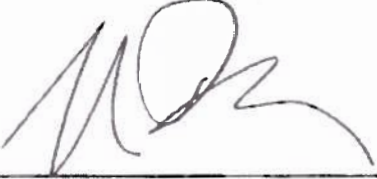
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Certification of Need

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

Submitted at Washington, DC, on July 27, 2015

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Acting Administrator, General Services Administration