

**PROSPECTUS – LEASE
INTERNAL REVENUE SERVICE
FRESNO, CA**

Prospectus Number: PCA-01-FR17
Congressional District: 16

Executive Summary

The U.S. General Services Administration (GSA) proposes a lease for approximately 196,000 rentable square feet (RSF) of space to house support activities for the Department of the Treasury - Internal Revenue Service (IRS), Compliance Services and Identity Theft Divisions, currently located at 855 M Street and 1325 Broadway Street in Fresno, CA.

The proposed lease will enable the IRS to provide continued housing, as well as provide more modern, streamlined, and efficient operations for these divisions. It will improve space utilization, as the office utilization rate will improve from 89 to 70 usable square feet (USF) per person, and the overall utilization rate from 164 to 129 USF per person, resulting in the IRS being housed in approximately 34,422 RSF less space than it has at the current locations to be replaced. In the absence of this reduction, the status quo cost of continued occupancy at the proposed market rental rate would be \$8,064,770 per year.

Description

Occupant:	Internal Revenue Service
Current Rentable Square Feet (RSF)	230,422 (Current RSF/USF = 1.06)
Estimated Maximum RSF:	196,000 (Proposed RSF/USF = 1.15)
Expansion/Reduction RSF:	34,422 (Reduction)
Current Usable Square Feet/Person:	164
Estimated Usable Square Feet/Person:	129
Proposed Maximum Lease Term:	15 Years
Expiration Dates of Current Lease:	11/30/2018 and 10/03/2018
Delineated Area:	City of Fresno CBA – North: Divisadero Street South: Highway CA-41 East: R Street West: H Street to Stanislaus Street to Highway CA-99
Number of Parking Spaces¹:	800
Scoring:	Operating lease
Estimated Rental Rate²:	\$35.00/ RSF

¹The parking requirement includes 799 parking spaces for IRS employees due to shift work at this location.

²This 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

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Estimated Total Annual Cost ³ :	\$6,860,000
Current Total Annual Cost:	\$8,372,946 (Leases effective 12/01/2003 and 10/04/2003)

Justification

The proposed lease will house the Compliance Services Division and the recently created Identity Theft Division whose functions include Automated Underreporting and the Automated Collection System (ACS) Call Site. The new Identity Theft Division will benefit from the co-location of meeting, training and support services used to support the IRS's critical annual processing and enforcement efforts. Consistent with the goals of IRS's Fresno Campus Master Plan, this consolidation allows the IRS to operate efficiently, have space flexibility that will accommodate its changing operational needs, optimize use of space, and reduce the overall cost of operations.

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.

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.

³New 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.

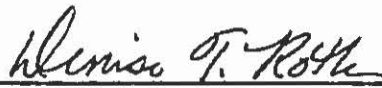
Submitted at Washington, DC, on August 29, 2016

Recommended: _____



Commissioner, Public Buildings Service

Approved: _____



Administrator, General Services Administration