

**PROSPECTUS – LEASE
DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
WASHINGTON, DC**

Prospectus Number: PDC-01-WA17

Executive Summary

The General Services Administration (GSA) proposes a lease for approximately 116,675 rentable square feet (RSF) for a portion of the Department of Homeland Security (DHS) Federal Emergency Management Agency (FEMA) headquarters functions currently located in four leases at 400 C Street SW and 800 K Street NW in Washington, DC, and 1800 South Bell Street in Arlington, VA. GSA proposes to consolidate the FEMA components, currently dispersed across three locations, under one lease and improve overall and office utilization rates from 219 to 108 usable square feet (USF) per person and from 156 to 69 USF per person, respectively. The lease will provide continued housing for FEMA prior to its planned move to the St. Elizabeths campus in accordance with the Enhanced Plan for the DHS headquarters consolidation.

Description

Occupant:	Federal Emergency Management Agency
Lease Type	Extension
Current Rentable Square Feet (RSF)	233,198 (Current RSF/USF = 1.19)
Estimated Maximum RSF:	116,675 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF:	116,523 (Reduction)
Current Usable Square Feet/Person:	219
Estimated Usable Square Feet/Person:	108
Proposed Maximum Leasing Authority:	up to 3 years
Expiration Dates of Current Leases:	11/30/2016, 01/02/2018, 09/30/2019, 10/01/2020
Delineated Area:	Washington, DC, Central Employment Area
Number of Official Parking Spaces ¹ :	6
Scoring:	Operating Lease
Estimated Rental Rate ² :	\$47.00/RSF
Estimated Total Annual Cost ³ :	\$5,483,725
Current Total Annual Cost:	\$9,550,150

¹ FEMA security requirements necessitate control of the parking at a leased location. This control is accomplished as a separate operating agreement with the lessor.

² This estimate is for fiscal year 2018 and may be escalated by 2.1 percent annually to the effective date of the lease to account for inflation. GSA will conduct the procurement using prevailing market rental rates as a benchmark for negotiating this lease to ensure that lease award is made in the best interest of the Government. The proposed rental rate is fully serviced including all operating expenses whether paid by the lessor or directly by the Government.

³ New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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Background

FEMA's mission is to support Americans and first responders to ensure that as a Nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards. The Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 100-707, signed into law November 23, 1988, amended the Disaster Relief Act of 1974, Public Law 93-288. It created the system in place today by which a Presidential Disaster Declaration of an emergency triggers financial and physical assistance through FEMA. The Act gives FEMA the responsibility for coordinating government-wide relief efforts.

Justification

The lease at 400 C Street expires prior to FEMA's planned move to St. Elizabeths campus under the Enhanced Plan. GSA currently pays approximately \$5.5 million in annual rent for the leases that are proposed to be housed in this extension, a cost to the Government and taxpayer that will no longer be incurred once the Enhanced Plan is fully executed. Therefore, authorization is needed to extend the lease for a short term to align with the move to St. Elizabeths. As the leases at 800 K Street, NW, expire in 2016 and 2019, personnel will relocate to 400 C Street, SW. The personnel in the lease at 1800 South Bell Street will backfill the lease at 400 C Street, SW, by the end of the 2016. The balance of the leased space, not necessary under the extension, will be returned to the lessor.

The President's Fiscal Year (FY) 2017 budget proposed the funding necessary to complete the design and construction of a new facility to house FEMA at the St. Elizabeth's campus. As presented in the FY 2017 capital program prospectus in support of the DHS consolidation at the St. Elizabeths campus, GSA anticipates that construction completion of the new FEMA facility will occur in FY 2019.

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.

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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 August 19, 2016

Recommended: 

Commissioner, Public Buildings Service

Approved: 

Administrator, General Services Administration