

**PROSPECTUS – LEASE
ENVIRONMENTAL PROTECTION AGENCY
PHILADELPHIA, PA**

Prospectus Number: PPA-01-PH17
Congressional District: 1, 2

Executive Summary

The General Services Administration (GSA) proposes a lease for approximately 222,000 rentable square feet (RSF) of space for the U.S. Environmental Protection Agency (EPA), currently located in leased space at 1650 Arch Street, Philadelphia, PA.

The proposed lease will enable EPA to provide continued housing as well as more modern, streamlined, and efficient operations. It will significantly improve space utilization, as the office utilization rate will be improved from 170 to 120 usable square feet (USF) per person, and the overall utilization rate from 278 to 200 USF per person, and reduce EPA's footprint at this location by 86,000 RSF.

Description

Occupant:	Environmental Protection Agency
Current Rentable Square Feet (RSF):	307,847 (Current RSF/USF = 1.15)
Estimated Maximum RSF:	222,000 (Proposed RSF/USF = 1.15)
Expansion/Reduction RSF:	85,847 (Reduction)
Current Usable Square Feet/Person:	278
Estimated Usable Square Feet/Person:	200
Proposed Maximum Lease Term:	20 Years
Expiration Dates of Current Leases:	05/31/2018
Delineated Area:	The Philadelphia Central Business District bounded by: North – Girard Ave South – Washington Ave to Rail Line crossing the Schuylkill River East – Delaware River to Columbia Ave West – Schuylkill River to Spring Garden Street to 40 th Street to Woodland Ave to University Ave
Number of Official Parking Spaces:	15
Scoring:	Operating lease
Estimated Rental Rate ¹ :	\$38.00 / RSF
Estimated Total Annual Cost ² :	\$8,436,000

¹ This estimate is for fiscal year 2018 and may be escalated by 2.0 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.

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Current Total Annual Cost: \$6,820,937 (Lease effective 06/01/1998)

Background

The Environmental Protection Agency (EPA) is currently located in an approximately 308,000 RSF leased location at 1650 Arch Street, Philadelphia, PA. This primarily office space serves as a Regional office for the EPA. The lease expires May 31, 2018, and a long-term housing solution is needed for the agency. This prospectus request seeks authority to procure a long-term leasing solution for this requirement.

Acquisition Strategy

GSA is planning to satisfy this requirement through a single award solicitation. All offers must provide space consistent with the delineated area defined by this prospectus.

Justification

EPA has developed a program of requirements for replacement space to house its Region 3 Regional Headquarters in Philadelphia, PA. The proposed requirements utilize new space standards developed to improve space efficiency and employee productivity and will reduce EPA's footprint by 85,847 RSF. In the absence of this reduction, the status quo cost of continued occupancy at the proposed market rental rate would be \$11,698,186 per year.

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.

²New 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 JUN 06 2016

Recommended: _____



Commissioner, Public Buildings Service

Approved: _____



Administrator, General Services Administration