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GSA Public Buildings Service

MEMORANDUM TO ASSISTANT REGIONAL ADMINISTRATORS, PBS
1P, 2P, 3P, 4P, 5P, 6P, 7P, 8P, 9P, 10P, WP
REGIONAL REALTY SERVICES OFFICERS

FROM: WILLIAM B. JENKINS
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SUBJECT: Rural Development Act Compliance

1. Purpose. This real property letter clarifies requirements for adherence to the Rural Development Act for GSA provided space.
2. Background.
 - a. In 1972, the Rural Development Act (amended U.S.C. Sec. 3122) was enacted which directed Federal agencies to develop policies and procedures to give first priority to the location of new offices and other Federal facilities in rural areas. The intent of the Act is to revitalize and develop rural areas and help foster a balance between rural and urban America.
 - b. In 1996, Public Law 104-127 eliminated the “private business enterprise” language in 7 U.S.C. 1926(a)(7) which had served to define the term “rural area” for the purpose of locating federal facilities.
 - c. In July 2001, GAO issued GAO Final Report GAO-010805, entitled “FACILITIES LOCATION: Agencies Should Pay More Attention to Costs and Rural Development Act,” which examined the federal laws and policies governing facility location and the extent that agencies were implementing these laws and policies. In addition, the GAO report identified recommendations to be implemented by GSA.
 - d. In October 2001, in response to a recommendation contained in the GAO Report, GSA agreed to issue a *Federal Register* bulletin that defines the term “rural area” and recommends that Federal agencies, having their own statutory authority to acquire real property, include a written statement in their files affirming that they have given first priority to location in a rural area.
 - e. In response to the GAO Report, GSA also agreed to, and has recently updated the Federal Management Regulations (FMR’s) and the Customer Guide to Real Property to provide advice to customer agencies on complying with the Rural Development Act.
3. Effective Date/Expiration Date. These instructions are effective immediately and will expire in one year from the date of issuance unless otherwise extended.
4. Cancellation. None.
5. Applicability. All real property activities.
6. Instructions/Procedures. Business Guidance is attached.

Attachment

**Rural Development Act (RDA) Compliance
Business Guidance**

1. As provided in FMR Part 102-83 and the Customer Guide*, the RDA requires that an agency give first priority to rural areas when locating new offices and other facilities. GSA has agreed with GAO to require client agencies to provide a written statement to GSA affirming that first priority was given to locating in a rural area. If the agency accepts rural space, a statement citing their rural location can be made in the form of a note added on the Lease File Checklist. A formal statement from the agency is not required in the case of a rural location.
2. If an agency selects urban space, a statement affirming that first priority has been given to rural areas must be received from the requesting agency prior to initiating an action to acquire space. The statement should include the requesting agency's name, geographic area (city or town), and identify the requirement that rural space cannot meet (i.e., conflicts with mission, availability of space, etc.). The statement may be provided in the form of a letter, facsimile, or e-mail. It must be signed by, or in the case of an e-mail, addressed from an authorized ordering official. Once obtained, the statement will serve only as a record, it will not be used to judge or approve the agency's location.
3. A copy of the statement shall be retained in the lease file. Section I. of The Standard Lease File Index and Checklist is being updated to include the RDA Compliance Statement.
4. Among other things, the FMR was updated to include the definition of "Rural area" as a city, town, or unincorporated area that has a population of 50,000 inhabitants or less, other than an urbanized area immediately adjacent to a city, town or unincorporated area that has a population in excess of 50,000 inhabitants, as specified in the Rural Development Act, as amended.
5. It should be noted that the RDA requirements do not conflict with Executive Order 12072. When an agency's mission requires an urban location, Executive Order 12072 dictates first consideration to a central business area within the urban location. The Rural Development Act does not override agency mission requirements. Regardless of mission, any agency locating in an urban area rather than a rural area must provide a statement explaining that they gave first priority to rural areas; however, the locations did not support certain requirements.

*The Customer Guide to Real Property is available on line at
http://www.gsa.gov/attachments/GSA_PUBLICATIONS/extpub/CustGuid.pdf