

**PROSPECTUS – LEASE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC**

Prospectus Number: PDC-01-WA14

Executive Summary

The General Services Administration (GSA) proposes a replacement lease of up to 86,000 rentable square feet (rsf) of space for the Department of Housing and Urban Development (HUD) in Washington, DC. HUD is currently located at 550 12th Street, SW, Washington, DC under a lease that expires on April 25, 2014. This location houses five HUD components: Real Estate Assessment Center (REAC); HUD's Inspector General (IG); Public and Indian Housing (PIH); Grants Management Center (GMC); and Government National Mortgage Administration (GNMA). The prospectus addresses the requirements of four of these components: REAC, IG, PIH, and GMC. The fifth component, GNMA, will be moved by HUD to a separate location in a below prospectus lease action.

The office utilization rate for the four HUD components will improve from 128 USF to 127 USF per person and the overall utilization rate from 185 USF to 183 USF per person.

Description

Occupant:	HUD
Lease Type	Replacement
Current Rentable Square Feet:	78,006 (Current RSF/USF = 1.09)
Proposed Maximum RSF:	86,000 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF ¹ :	None
Current Usable Square Feet/Person:	185
Proposed Usable Square Feet/Person:	183
Proposed Maximum Lease Term:	15 years
Expiration Dates of Current Lease(s):	4/25/2014
Delineated Area:	Washington, DC CEA
Number of Official Parking Spaces:	None
Scoring:	Operating Lease
Maximum Proposed Rental Rate ² :	\$50.00

¹ The RSF/USF at the current location is approximately 1.11. However to maximize competition a RSF/USF ratio of 1.20 is used for the proposed maximum RSF indicated in this prospectus.

² This estimate is for fiscal year 2014 and may be escalated by 1.9 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. ~~Lease award shall not exceed the maximum rental rate as specified in this prospectus.~~

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Proposed Total Annual Cost ³ :	\$4,300,000
Current Total Annual Cost:	\$3,464,308

Background

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; and build inclusive and sustainable communities free from discrimination.

Justification

The current lease for HUD at 550 12th Street, SW, Washington, DC expires on April 25, 2014 and HUD requires continued housing to carry out its mission. This prospectus seeks approval to house the following four components of HUD: REAC, IG, PIH, and GMC.

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.

³ Any new lease may contain an annual escalation clause to provide for increases or decreases in real estate taxes and operating costs.

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Certification of Need

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

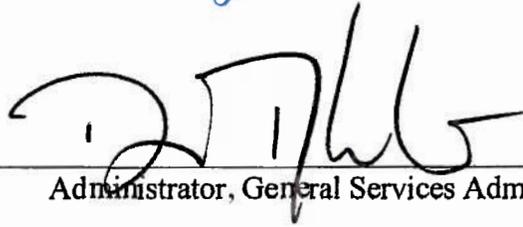
Submitted at Washington, DC, on September 30, 2013

Recommended: _____



Commissioner, Public Buildings Service

Approved: _____



Administrator, General Services Administration