FY2014 Project Summary

The General Services Administration (GSA) proposes to acquire, the Frank R. Lautenberg U.S. Post Office and Courthouse (POCH) located at 2 Federal Square, in Newark, NJ. GSA seeks to acquire the 429,016 rentable square foot (rsf) building from the U.S. Postal Service for no more than $23,000,000. In addition to the acquisition of the POCH, GSA proposes the first of two phases to modernize building systems, rehabilitate the building’s infrastructure, and demolish the postal workspace for future useable office space. The project will also address critical life safety issues.

FY2014 Committee Approval Requested

(Acquisition, Design, Construction, M&I).................................................................$66,003,000

FY2014 Appropriation Requested

(Acquisition, Phase I Design M&I, Construction)...................................................$31,000,000

Building

The POCH provides approximately 429,016 rentable square feet of space (rsf) consisting of five floors above grade with an attic and one below-grade floor which contains office space, the building’s power plants and a tunnel connection to the Martin Luther King Jr. U.S. Courthouse (MLK CT). The basement, first, second and partial fifth floor is currently occupied by the United States Post Service (USPS). Their occupancy in the building represents approximately 292,277 rsf of space, of which approximately 200,000 rsf is functionally vacant. Through a Memorandum of Agreement (MOA) with the USPS, GSA currently leases 136,739 rsf of space on floors three, four and five (partial) in the building on behalf of the U.S. Marshals Service and U.S. Courts. The MOA between the USPS and GSA expires September 2014.

The building, located at the southern edge of the Central Business District in Newark, is part of the City’s Federal Courts and Office Complex. It is sited opposite the Peter W. Rodino Federal Building, the MLK CT and one block North of Newark’s City Hall. Built in 1936, the building is an example of Greek Revival architecture.
PROSPECTUS – BUILDING ACQUISITION
FRANK R. LAUTENBERG U.S. POST OFFICE AND COURTHOUSE
NEWARK, NJ

Prospectus Number: PNJ-4324-NE14
Congressional District: 10

Project Budget

Building and Site Acquisition (FY2014) ................................................................. $23,000,000

Design
   Phase I (FY2014) ............................................................................................. $2,114,000
   Phase II (TBD) ................................................................................................. 774,000
   Design Subtotal .............................................................................................. $2,888,000

Estimated Construction Cost (ECC)
   Phase I (FY2014) ............................................................................................. $4,408,000
   Phase II (TBD) ................................................................................................. 32,651,000
   ECC Subtotal ................................................................................................. $37,059,000

Management and Inspection (M&I)
   Phase I (FY2014) ............................................................................................. $1,478,000
   Phase II (TBD) ................................................................................................. 1,578,000
   Management and Inspection Subtotal .............................................................. $3,056,000

Estimated Total Project Cost (ETPC)* .................................................................... $66,003,000

FY2014 Committee Approval Requested
(Acquisition, Design, Construction, M&I) .............................................................. $66,003,000

FY2014 Appropriation Requested
(Acquisition, Phase I Design, M&I, Construction) ............................................... $31,000,000

*Tenant agencies may fund an additional amount for alterations above the standard normally provided by the GSA.

Schedule

Start          End

Design
   Phase I      FY2014   FY2015
   Phase II     TBD       TBD

Construction
   Phase I      FY2014   FY2015
   Phase II     TBD       TBD
Overview of Project

GSA proposes a two-phased project for the POCH. Phase I of the project will include the acquisition of the POCH, partial design, construction, and M&I. Phase I will also include roof replacement and roof deck repairs. Phase II of the project, will replace and/or upgrade many of the outdated and deteriorating building systems. Approximately 70,000 square feet of U.S. Postal Service (USPS) workspace will be demolished in Phase II, to facilitate future conversion to usable office space.

The project will also address any potential life safety issues and remediate hazardous materials as required. All of this work will be completed in a manner that respects the historic fabric of the courthouse.

Tenant Agencies

U.S. Court of Appeals; U.S. District Courts; Pre-Trial Services: U.S. Marshals; USPS; GSA

Justification

The USPS currently owns and maintains the property and is responsible for facility and tenant-alteration requests. The property is currently not maintained to the standards identified for GSA owned or leased space, and certain fire and life-safety issues compromise the Government’s use of the space. Based on GSA’s experience as a property manager, GSA has identified that many of the building systems are outdated, do not meet current code, and are not energy efficient.

Elevators are outdated. The freight elevator cab is also in need of modernization.

Lighting controls do not meet energy codes and power distribution in courtrooms is inadequate. In addition, the building does not have all life-safety systems connected to emergency power. The existing sprinkler system does not cover the entire building and standpipe coverage does not meet current code requirements.

The existing HVAC system requires upgrades to improve temperature controls and energy use throughout the building. The existing air distribution systems in the first and second floors do not provide adequate control of temperature and energy use in these spaces.

The condition of the flat roofs which is causing some leaking needs to be replaced.

The conversion of USPS space to office space will allow for the backfill of tenants currently housed in leased space in and around Newark, New Jersey. Relocating customer agencies into
the POCH will allow the Government to release costly lease space and reduce annual lease payments to the private sector.

**Tenant Agencies**
U.S. Court of Appeals; U.S. District Courts; Pre-Trial Services: U.S. Marshals; USPS; GSA

**Major Work Items**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exterior Construction</td>
<td>$5,547,000</td>
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<tr>
<td>Site Improvements</td>
<td>2,320,000</td>
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<tr>
<td>Electrical Lighting and System Upgrade/Replacement</td>
<td>3,921,000</td>
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<tr>
<td>Elevator Upgrades</td>
<td>2,982,000</td>
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<tr>
<td>HVAC and Plumbing Improvements</td>
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<tr>
<td>Environmental Remediation</td>
<td>7,662,000</td>
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<tr>
<td>Life-Safety Improvements</td>
<td>9,763,000</td>
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<tr>
<td>Interior Construction</td>
<td>988,000</td>
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<tr>
<td><strong>Total ECC</strong></td>
<td><strong>$37,059,000</strong></td>
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**Summary of Energy Compliance**

This project will be designed to conform to requirements of the Facilities Standards for the Public Buildings Service and will implement strategies to meet the Guiding Principles for High Performance and Sustainable Buildings. GSA encourages design opportunities to increase energy and water efficiency above the minimum performance criteria.

**Prior Appropriations**

None

**Prior Committee Approvals**

None

**Prior Prospectus-Level Projects in Building (past 10 years)**

None
Alternatives Considered (30-year, present value cost analysis)

<table>
<thead>
<tr>
<th>Alternative</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Acquisition/Alteration</td>
<td>$231,204,000</td>
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<tr>
<td>New Construction</td>
<td>$286,265,000</td>
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<tr>
<td>Lease</td>
<td>$335,334,000</td>
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</table>

The 30-year, present value cost of purchase is $55,061,000 less than the new construction alternative, an equivalent annual cost advantage of $3,107,000.

Recommendation

ACQUISITION/ALTERATION

Certification of Need

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

Submitted at Washington, DC, on April 4, 2013

Recommended

[Signature]
Commissioner, Public Buildings Service

Approved

[Signature]
Acting Administrator, General Services Administration