FY2017 Project Summary

The General Services Administration (GSA) proposes to acquire the Internal Revenue Service (IRS) Annex Building located at 2021 Woodward Street in Austin, TX. The leased facility provides 144,101 rentable square feet of space and 179 parking spaces and is currently occupied entirely by the IRS. Purchase will reduce the Government’s rental payment to the private sector by approximately $1,163,000 annually.

This project was among those previously included in GSA’s FY 2015 Capital Investment Program. The prospectus was not approved by the Senate Committee on Environment and Public Works and the House Committee on Transportation and Infrastructure, and the project could not be accommodated within the enacted level. GSA is resubmitting the project in FY 2016.

FY2017 Committee Approval and Appropriation Requested

(Site, Design, ECC, M&I)...............................................................................................$12,756,000

Building

The IRS Annex was built in 1979 by the lessor and is a single story tilt-up pre-cast concrete building. The building is co-located on a 57-acre campus with federally-owned buildings housing a regional IRS Service Center, a Department of Veterans Affairs administrative facility, and the U.S. Department of the Treasury Financial Management Service. The campus is bounded by East Woodward Street on the North and East, IH-35 on the West and U.S. Highway 290 on the South. The location of the IRS annex on this campus is critical to the IRS mission since trucks make daily runs between the Annex, Service Center, Compliance Center and other IRS locations transporting supplies, furniture and tax returns.

Project Budget

Building and Site Acquisition.........................................................................................$12,756,000

Estimated Total Project Cost (ETPC)*............................................................................$12,756,000

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

Schedule

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Overview of Project
The project proposes acquisition of the building currently leased by GSA for the IRS. The facility provides office, warehouse and light industrial storage space for IRS adjacent to the main IRS Service Center Building in Austin, TX. In addition, the warehouse is located in close proximity to four other IRS leases located in southeast Austin.

Tenant Agencies
IRS

Justification
The IRS Annex is an integral part of the tax return submission processing pipeline. As a receiving point for mail during tax season and a holding place for the completed returns, this building is the first and last stop for tax returns through the pipeline. It is entirely within the secure fenced campus perimeter and is tied in to the communications, security and fire alarm systems in the IRS Service Center. The IRS Annex building is the only part of the 57-acre campus facility that is not federally owned. Ownership of the annex would provide greater flexibility for future development of the campus site as needed for IRS or other agencies. Additionally, purchase of the IRS Annex will reduce the Government’s rental payment to the private sector by approximately $1,163,000 annually.

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)

- Purchase: $56,621,000
- Lease: $131,382,000
- New Construction: $72,835,000

The 30-year, present value cost of purchase is $16,214,000 less than the cost of new construction with an equivalent annual cost advantage of $871,000.

Recommendation

ACQUISITION
Certification of Need

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

Submitted at Washington, DC, on February 8, 2016

Recommended: Commissioner, Public Buildings Service

Approved: Administrator, General Services Administration