Executive Summary

The General Services Administration (GSA) proposes a lease of approximately 122,000 rentable square feet (RSF) for the Department of Transportation, Federal Aviation Administration (FAA), currently located at 2300 E. Devon Avenue in Des Plaines, IL. FAA has occupied space in the building since 1971. The current lease became effective on October 21, 2000, and expires on October 20, 2020.

The lease will provide continued housing for FAA and will improve the office and overall space utilization rates from 112 to 90 and 264 to 170 usable square feet (USF) per person, respectively.

Description

Occupant: Federal Aviation Administration
Current RSF: 196,481 (Current RSF/USF = 1.19)
Estimated/Proposed Maximum RSF: 122,000 (Proposed RSF/USF = 1.15)
Expansion/Reduction RSF: 74,481 Reduction
Current USF/Person: 264
Estimated/Proposed USF/Person: 170
Expiration Dates of Current Lease(s): 10/20/2020
Proposed Maximum Leasing Authority: 20 years
Delineated Area:
North: West Palatine Rd. to Willow Rd.;
East: I-94 E to I-90 E to West Addison St. to North Pulaski Rd. to West Diversey Ave.;
South: West Diversey Ave. to Route 43 to Grand Ave. to Route 53 to West; West: I-355 W to I-290 W to Route 53 to West Palatine Rd.

Number of Official Parking Spaces: 679
Scoring: Operating
Current Total Annual Cost: $5,104,351 (lease effective 10/21/2000)
Estimated Rental Rate: $37.65 / RSF

1 The RSF/USF at the current location is approximately 1.19; however, to maximize competition a RSF/USF ratio of 1.15 is used for the estimated proposed maximum RSF as indicated in the housing plan.
2 This estimate is for fiscal year 2021 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 the basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government.
Background

FAA's mission is to provide the safest, most efficient aerospace system in the world. FAA's Great Lakes Region is responsible for the FAA's aviation-related work in the States of Illinois, Indiana, Michigan, Ohio, Wisconsin, Minnesota, North Dakota, and South Dakota. This Regional Office serves as the primary liaison regarding aviation issues and activities within the Great Lakes Region.

GSA will consider whether FAA's continued housing needs should be satisfied in the existing location based on an analysis of other potential locations within the delineated area. If other potential locations are identified, GSA will conduct a cost-benefit analysis to determine whether the Government can expect to recover the relocation and duplication costs of real and personal property needed for FAA to accomplish its mission.

Justification

FAA currently occupies 185,754 RSF of Class B space in the current lease at 2300 East Devon Avenue in Des Plaines, IL, under a 20-year agreement that expires October 20, 2020. There is also vacant space and space outleased that will not be replicated in the new lease.

FAA requires continued housing to carry out its mission. The new lease will provide FAA with efficient, modern office space at an all-in utilization rate of 170 USF per person, a significant reduction from FAA's current utilization rate. It will allow FAA to more efficiently house personnel and strategically co-locate lines of business and staff offices, resulting in increased productivity.

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.

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3 New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.
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 project is the best solution to meet a validated Government need.

Submitted at Washington, DC, on September 19, 2019.

Recommended: [Signature]
Commissioner, Public Buildings Service

Approved: [Signature]
Administrator, General Services Administration