

**PROSPECTUS – LEASE
DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
FRESNO, CA**

Prospectus Number: PCA-09-FR11
Congressional District: 20

Project Summary

The General Services Administration (GSA) is seeking authority to exercise renewal options of up to ten years for the Department of the Treasury, Internal Revenue Service (IRS) and the Treasury Inspector General for Tax Administration (TIGTA), currently located in 531,976 rentable square feet of space at 5045 East Butler Avenue in Fresno, CA.

The existing building was originally constructed specifically for IRS, which has occupied the premises continuously since 1971. Currently, IRS is developing a national long-term strategy regarding the functions and space requirements of its national super-centers. One of these super-centers is planned to be located in Fresno, CA, with an approximate proposed occupancy of 2021 or earlier.

GSA is in discussions with the current lessor regarding IRS's continued tenancy at the existing Fresno location. GSA intends to negotiate more favorable terms for the Government's benefit.

Justification

It is in the Government's best interest to exercise the first five-year renewal option and potentially the second five year renewal option or modify and exercise the renewal option(s) to extend IRS/TIGA's occupancy at the existing location, until long-term plans and requirements can be finalized and a future housing strategy proposed. In addition, timely authority is required, since notice to exercise the first five-year option and funding confirmation is due 365 days prior to lease expiration or November 30, 2010.

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Description

Occupants:	IRS, TIGTA
Current Location:	5045 East Butler Avenue
Justification:	Expiring lease (November 30, 2011) Notice to exercise first option on or before November 30, 2010.
Number of Parking Spaces:	2,641
Expansion Space:	None
Scoring:	Operating Lease
Proposed Maximum Leasing Authority:	10 years
Maximum Rentable Square Feet:	531,976
Current Total Annual Cost:	\$14,862,928
Proposed Total Annual Cost ¹ :	\$15,959,280
Maximum Proposed Rental Rate ² :	\$30.00 per rentable square foot

Authorizations

- Approval of this prospectus by the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works will constitute authority to lease space in a facility that will yield the required area.
- Approval of this prospectus will constitute authority to provide an interim lease, if necessary, prior to the execution of the new lease.
- Approval of this prospectus will constitute authority to negotiate lease modification for the renewal option(s).

¹Any new lease may contain an annual escalation clause to provide for increases or decreases in real estate taxes and operating costs.

²This estimate is for fiscal year 2012 and may be escalated by 1.7 percent annually to the effective date of the lease to account for inflation.

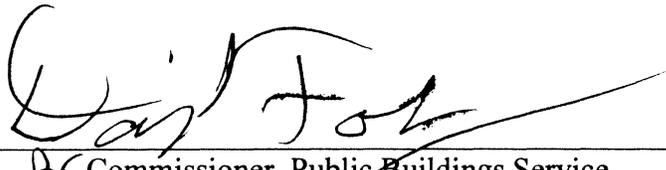
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Certification of Need

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

Submitted at Washington, DC, on September 10, 2010

Recommended: 

Dan Johnson
Commissioner, Public Buildings Service

Approved: 

Martha Johnson
Administrator, General Services Administration