

**PROSPECTUS - LEASE
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
PHILADELPHIA, PA**

Prospectus Number: PPA-01-PH10
Congressional District: 08

Project Summary

The General Services Administration (GSA) proposes a superseding lease and space alterations to the National Archives and Records Administration (NARA) facility currently located at 14700 Townsend Road, Philadelphia, PA. This facility, which was occupied in 1994 under a 20 year, firm term, non-cancelable lease, provides 1.58 million cubic feet of records storage in 345,000 rentable square feet (rsf).

The proposed alteration project, to be amortized in the rent paid to the lessor, will allow the conversion of approximately 40,000 usf of soon-to-be vacant record storage bays into bays capable of housing archives and permanent records. In order to comply with NARA's 2010 archive standards as detailed in 36 CFR 1228 Subpart K, the archive and permanent records space requires more stringent paper storage conditions and requires improvements to the HVAC, filtration, humidification, and fire protection systems, and light diffusion improvements.

Approximately 40,000 usable square feet (usf) of IRS taxpayer records, currently housed at this location will be destroyed in 2009 resulting in extra storage capacity. Upon completion of the conversion, archives currently housed in two existing federal facilities, the Robert NC Nix US Post Office and Courthouse in Philadelphia, PA and the Federal Building on Varick Street in New York, NY will be transferred into this space.

Justification

The existing federal facilities cannot be upgraded economically to meet NARA's archival facility standards. The archive vaults at the Nix Post Office and Courthouse are below grade and are incapable of meeting the proposed 2010 archival standards, and it would be cost prohibitive to upgrade the Varick Street Federal Building to meet these standards. In both locations NARA will keep its offices and public contact functions. The vacated archive vaults will be marketed to Philadelphia federal tenants with basic record storage needs.

The 30-year, present value cost of a superseding lease with alterations in the NARA records center is \$28,965,000 less than the cost of new construction and \$12,742,000 less than the cost of a leasing new space that would meet NARA's requirements.

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Alternatives

CONSTRUCTION - This alternative proposes the construction of a new 345,000 rsf NARA facility. The 30-year, present value cost of this alternative is \$123,035,000.

NEW LEASE - This alternative proposes leasing a new 345,000 rsf NARA facility. The 30-year, present value cost of this alternative is \$106,812,000.

SUPERSEDING LEASE WITH SPACE ALTERATIONS - This alternative proposes alterations and a 20-year superseding lease of the existing 345,000 rsf building. The 30-year, present value cost of this alternative is \$94,070,000.

Recommendation

SPACE ALTERATIONS AND SUPERSEDING LEASE are recommended.

Major Work Items

Mechanical	\$2,069,000
Electrical	993,000
Interior Architectural	1,071,000
Demolition	<u>167,000</u>
Estimated Construction Cost (ECC)	\$4,300,000
Management and Inspection Costs (M&I)	<u>\$200,000</u>
Total Alteration Authority Requested in this Prospectus ¹ :	\$4,500,000

¹ Design funding in the amount of \$90,000 is being provided by NARA; ECC and M&I totaling \$4,500,000 will be amortized in the rent paid to the lessor.

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Description

Occupants:	National Archives And Records Administration
Delineated Area:	14700 Townsend Road Philadelphia, PA 19154
Lease Type:	Lease/Alterations in Leased Space
Justification:	Consolidation and Relocation of Government-Owned Space
Number of Parking Spaces:	0
Expansion Space:	None
Scoring:	Operating Lease
Proposed Maximum Leasing Authority:	20 years
Maximum Rentable Square Feet:	345,000
Current Total Annual Cost ² :	\$3,039,700
Proposed Total Annual Cost ³ :	\$3,795,000
Maximum Proposed Rental Rate ⁴ :	\$11.00 per RSF

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 alter approximately 40,000 rsf and enter into a superseding lease at the existing NARA facility.
- Approval of this prospectus will constitute authority to provide an interim lease, if necessary, prior to the execution of the new lease.

²Current Total Annual Cost includes \$338,341 of operating costs only for the Government Owned Locations.

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

⁴This estimate is for fiscal year 2010 and may be escalated by 1.8 percent annually to the effective date of the lease to account for inflation.

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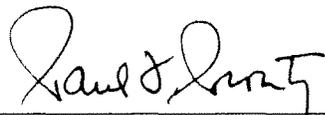
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Certification of Need

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

Submitted at Washington, DC, on June 11, 2009

Recommended: 
Acting Commissioner, Public Buildings Service

Approved: 
Acting Administrator, General Services Administration