

**PROSPECTUS – LEASE
DEPARTMENT OF EDUCATION
SAN FRANCISCO, CA**

Prospectus Number: PCA-02-SF16
Congressional District: 12

Executive Summary

The General Services Administration (GSA) proposes a lease extension of up to 75,269 rentable square feet (RSF) of space for the Department of Education (ED), currently located at 50 Beale Street, San Francisco, CA, under one lease that was effective in 2006.

The proposed lease will continue to house ED while space is completed and readied for occupancy in the Phillip Burton Federal Building and U.S. Courthouse. ED will maintain its current office utilization rate of 253 useable square feet (USF) per person and overall utilization rate of 468 USF per person.

Description

Occupant:	Department of Education
Lease Type	Extension
Current Rentable Square Feet (RSF)	75,269 (Current RSF/USF = 1.25)
Proposed Maximum RSF:	75,269 (Proposed RSF/USF = 1.25)
Expansion/Reduction RSF:	None
Current Usable Square Feet/Person:	468
Proposed Usable Square Feet/Person:	468
Proposed Maximum Lease Term:	3 Years
Expiration Dates of Current Leases:	09/18/2016
Delineated Area:	50 Beale Street, San Francisco, CA
Number of Official Parking Spaces:	2
Scoring:	Operating lease
Maximum Proposed Rental Rate ¹ :	\$73.00 / RSF
Proposed Total Annual Cost ² :	\$5,494,637
Current Total Annual Cost:	\$3,427,095 (Lease effective 09/19/2006)

¹ This estimate is for fiscal year 2016 and may be escalated by 1.6 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 negotiating this lease extension to ensure that lease award is made in the best interest of the government. Lease award shall not exceed the maximum rental rate as specified in this prospectus.

² New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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Justification

The Department of Education, currently located at 50 Beale Street, requires continued housing while space within the Phillip Burton Federal Building and U.S. Courthouse is completed for occupancy. Once work is completed in 2018, ED will move into the Federal Building and U.S. Courthouse and improve its office utilization and overall utilization rates from 253 to approximately 100 usable square feet (USF) per person and 468 to approximately 209 USF per person, respectively.

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.

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Certification of Need

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

Submitted at Washington, DC, on July 27, 2015

Recommended: _____



Commissioner, Public Buildings Service

Approved: _____



Acting Administrator, General Services Administration