

**PROSPECTUS – LEASE
DEPARTMENT OF DEFENSE - ARMY CORPS OF ENGINEERS
SACRAMENTO, CA**

Prospectus Number: PCA-01-SA18
Congressional District: 06

Executive Summary

The General Services Administration (GSA) proposes a lease of approximately 233,000 rentable square feet (RSF) for the Department of Defense – Army Corps of Engineers (USACE), Sacramento District, currently located at 1325 J Street in Sacramento, CA.

The lease will provide continued housing for USACE and will improve the office and overall space utilization from 152 to 134 and 221 to 205 per person, respectively.

Description

Occupant:	U.S. Army Corps of Engineers
Current Rentable Square Feet (RSF)	227,025 (Current RSF/USF = 1.15)
Estimated Maximum RSF ¹ :	233,000 (Proposed RSF/USF = 1.18)
Expansion RSF:	5,975
Current Usable Square Feet/Person:	221
Estimated Usable Square Feet/Person:	205
Expiration Dates of Current Lease(s):	05/31/2020 (leases are co-terminus)
Proposed Maximum Leasing Authority:	20 years
Delineated Area:	Sacramento Central Business Area, bounded by North: American River; East: Hwy 80/Hwy 51/Alhambra Blvd.; South: Broadway; and West: Sacramento River
Number of Official Parking Spaces:	65
Scoring:	Operating
Current Total Annual Cost:	\$ 6,530,591 (leases effective 06/01/2010 & 11/18/2011)
Estimated Rental Rate ² :	\$43.00 / RSF
Estimated Total Annual Cost ³ :	\$10,019,000

¹ The RSF/USF at the current location is approximately 1.15; however, to maximize competition a RSF/USF ratio of 1.18 is used for the estimated proposed maximum RSF as indicated in the housing plan.

² This estimate is for fiscal year 2020 and may be escalated by 2 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.

³ New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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Background

The USACE Sacramento District, which comprises approximately 1,000 military and civilian engineers and scientists (biologists, geologists, hydrologists, natural resource managers, and others), is a leader in engineering and environmental matters in eight western states. The Sacramento District, one of the largest in USACE, is responsible for more than 2 million acres and 300,000 miles of waterways with an annual budget of over \$500 million.

The Sacramento District is also responsible for military design and construction, civil works, real estate services to the Army and Air Force, environmental services, emergency operations and regulatory and tribal nations program.

Justification

USACE occupies two leases at 1325 J Street, one GSA lease and one agency direct lease. Both leases expire on May 31, 2020. The agency anticipates a continued need beyond the proposed term of the lease (20 years) to support continuity in meeting the USACE mission requirements.

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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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 November 30, 2017

Recommended:



Commissioner, Public Buildings Service

Approved:



Acting Administrator, General Services Administration