



Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515
COMMITTEE RESOLUTION

Nick J. Rahall, III
Ranking Member

Christopher P. Bertram, Staff Director

James H. Zoia, Democrat Staff Director

LEASE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION
SUBURBAN MARYLAND
PMD-03-WA13

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, appropriations are authorized for a lease extension of up to 228,020 rentable square feet of space, including eight parking spaces, for the Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, currently located at 1 Choke Cherry Road, Rockville, Maryland, at a proposed total annual cost of \$7,980,700 for a lease term of up to two years, a prospectus for which is attached to and included in this resolution.

Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to the execution of the new lease.

Provided that, the Administrator of General Services and tenant agencies agree to apply an overall utilization rate of 242 square feet or less per person.

Provided that, except for interim leases as described above, the Administrator may not enter into any leases that are below prospectus level for the purposes of meeting any of the requirements, or portions thereof, included in the prospectus that would result in an overall utilization rate of 242 square feet or higher per person.

Provided that, to the maximum extent practicable, the Administrator shall include in the lease contract(s) a purchase option that can be exercised at the conclusion of the firm term of the lease.

Provided further, that the Administrator shall require that the delineated area of the procurement is identical to the delineated area included in the prospectus, except that, if the Administrator determines that the delineated area of the procurement should not be identical to the delineated area included in the prospectus, the Administrator shall provide an explanatory statement to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Provided further, that the General Services Administration shall not delegate to any other agency the authority granted by this resolution.

Adopted: **February 28, 2013**

Bill Shuster, M.C.
Chairman

PROSPECTUS – LEASE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION
SUBURBAN MARYLAND

Prospectus Number: PMD-03-WA13
Congressional District: 8

Executive Summary

The General Services Administration (GSA) proposes a lease extension of up to 228,020 rentable square feet for the Department of Health and Human Services (HHS), Substance Abuse and Mental Health Services Administration (SAMHSA). SAMHSA is currently located at 1 Choke Cherry Road, Rockville, Maryland under a lease that expires August 26, 2014. SAMHSA is planning to move to the Parklawn Building, located at 5600 Fisher's Lane, Rockville, MD, which is scheduled to be ready for occupancy between August 2015 and 2017. SAMHSA is scheduled to move to the Parklawn Building between July and September 2015. GSA is seeking a two-year lease extension to allow SAMSHA to remain in place prior to the move and to provide flexibility in the event of schedule delays at Parklawn. GSA will attempt to negotiate termination rights into the lease agreement to accommodate the long term housing solution at the Parklawn Building.

The proposed space utilization rate at 1 Choke Cherry Road is higher than the HHS overall space utilization standard of 170 USF/person. Space realignment and utilization rate improvement is not cost-effective or feasible for the proposed short-term lease extension at the current location. It would also be highly disruptive to SAMHSA's continuing performance of its mission. However, the agency's planned occupancy of the Parklawn Building will be fully consistent with the applicable HHS space utilization standard.

Description

Occupant:	SAMHSA
Lease Type:	Extension
Current Rentable Square Feet (RSF):	228,020 (Current RSF/USF = 1.07)
Proposed Maximum RSF:	228,020 (Proposed RSF/USF = 1.07)
Expansion Space RSF:	None
Current Usable Square Feet/Person:	275
Proposed Usable Square Feet/Person:	242
Proposed Maximum Leasing Authority:	2 years
Expiration Date(s) of Current Lease(s):	8/26/14
Delineated Area:	1 Choke Cherry Road, Rockville MD
Number of Official Parking Spaces:	8
Scoring:	Operating lease
Maximum Proposed Rental Rate ¹ :	\$35.00

¹ This estimate is for fiscal year 2014 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.

PROSPECTUS – LEASE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION
SUBURBAN MARYLAND

Prospectus Number: PMD-03-WA13
Congressional District: 8

Proposed Total Annual Cost ² :	\$7,980,700
Current Total Annual Cost:	\$5,329,954 (Lease effective 8/27/2004)

Background

SAMHSA is responsible for improving the delivery and effectiveness of substance abuse and mental health services to the American public. SAMHSA is a national leader in advancing effective services to persons with addictive and mental disorders and has stewardship over important interventions affecting personal, community, institutional, and social values.

Justification

The current lease at 1 Choke Cherry Road, Rockville, Maryland expires on August 26, 2014. SAMHSA plans to move to the Parklawn Building which is currently under renovation. SAMHSA will require continued housing to carry out its mission prior to the Parklawn move. GSA will attempt to negotiate termination rights into a lease agreement to provide a flexible transition for SAMHSA's long-term housing solution.

The maximum proposed rental rate in this prospectus is a projected rate for lease transactions with a future effective (rent start) date consistent with the expiration of the current lease in August 2014. However, this proposed short-term lease extension does not require new tenant space build-out or upgrades needed for a long-term occupancy. GSA will conduct the procurement using prevailing market rental rates as a benchmark and basis for negotiating with the current lessor 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.

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.

² Any new lease may contain an annual escalation clause to provide for increases or decreases in real estate taxes and operating costs.

PROSPECTUS – LEASE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION
SUBURBAN MARYLAND

Prospectus Number: PMD-03-WA13
Congressional District: 8

Interim Leasing

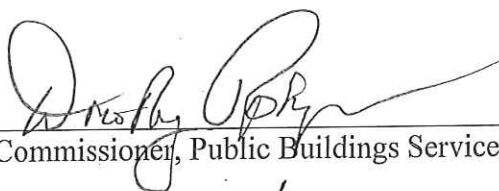
GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the new lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

Certification of Need

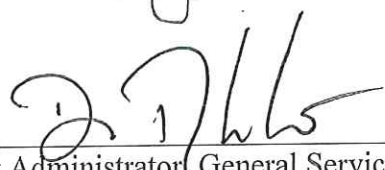
The proposed project is the best solution to meet a validated Government need.

Submitted at Washington, DC, on November 21, 2012

Recommended: _____


Commissioner, Public Buildings Service

Approved: _____


Acting Administrator, General Services Administration

Usable square footage means the portion of the building available for use by tenants' personnel and furnishings, and space available jointly to the occupants of the building (e.g., auditorium, health units and snack bars). Usable square footage does not include space devoted to building operations and maintenance (e.g., craft shops, gear rooms, building supply rooms, rest rooms and lobbies).