



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

Bill Shuster
Chairman

Washington, DC 20515

Peter A. DeFazio
Ranking Member

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COMMITTEE RESOLUTION

Katherine W. Dedrick, Democratic Staff Director

ALTERATION
DISTRICT COURTHOUSE
PENSACOLA, FL
PFL-2245-PE15

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 repair and alteration project to remediate mold, eliminate water infiltration, replace the building façade, and undertake system and site upgrades at the Pensacola District Courthouse located at 1 North Palafox Street in Pensacola, Florida at a design cost of \$2,673,000, an estimated construction cost of \$25,259,000 and a management and inspection cost of \$2,849,000 for a total estimated project cost of \$30,781,000, a prospectus for which is attached to and included in this resolution.

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

Adopted: April 20, 2016

Bill Shuster, M.C.
Chairman

**PROSPECTUS – ALTERATION
DISTRICT COURTHOUSE
PENSACOLA, FL**

Prospectus Number: PFL-2245-PE15
Congressional District: 1

FY 2016 Project Summary

The General Services Administration (GSA) proposes a repair and alteration project to remediate mold, eliminate water infiltration, replace the building facade, and undertake system and site upgrades at the Pensacola District Courthouse located at 1 North Palafox Street in Pensacola, FL (the "District Courthouse").

The District Courthouse is a leased facility that was constructed on land owned by the City of Pensacola and made available to GSA's selected developer pursuant to a Ground Lease. It was constructed for use by the Courts and leased by GSA since 1997. The firm term of the current space lease between GSA and the owner of the courthouse, Palafox Street Associates, LP, expires on July 31, 2017 (the "Courthouse Lease"). GSA has an unconditional right to accept an irrevocable Offer of Donation from the City of Pensacola to take fee simple ownership of the site and improvements at the end of the current 20-year Courthouse Lease term. GSA plans to acquire ownership of the site and improvements by accepting the Offer of Donation, thereby taking ownership from the City of Pensacola upon expiration of the initial term of the Courthouse Lease.

FY 2016 Committee Approval Requested

(Design, Construction, Management and Inspection)\$30,781,000

FY 2016 Appropriation Requested¹\$0

Major Work Items

Exterior construction; interior construction; mold abatement; roof replacement; heating, ventilating and air conditioning (HVAC)/mechanical, life safety/emergency and plumbing systems upgrades; site work; security upgrades; demolition.

Project Budget

| | |
|---|--------------------|
| Design | \$2,673,000 |
| Estimated Construction Cost (ECC) | \$25,259,000 |
| Management and Inspection (M&I)..... | <u>\$2,849,000</u> |

¹ Although no funds are being requested in this prospectus, approval of the prospectus is needed for this repair and alteration project. Concurrently, GSA will request approval to reprogram previously appropriated project funds to pay for this proposed repair and alteration project.

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Estimated Total Project Cost (ETPC)*\$30,781,000

*Tenant agencies may fund an additional amount for tenant improvements above the standard normally provided by the GSA.

| <u>Schedule</u> | <u>Start</u> | <u>End</u> |
|------------------------|---------------------|-------------------|
| Design | FY 2016 | FY 2016 |
| Construction | FY 2016 | FY 2018 |

Building

The District Courthouse in Pensacola is a five-story leased building built for use by the Federal judiciary and occupied in August 1997 under a 20-year, below-prospectus lease (including two options of 5 additional years each). The building is owned by GSA's current Lessor, Palafox Street Associates, and was constructed on land owned by the City of Pensacola pursuant to a Ground Lease between the City of Pensacola and the building's developer. The ground lease agreement is coterminous with the Courthouse Lease. This Court's function in this building is in conjunction with the court and court-related functions housed in the federally owned Winston E. Arnow U.S. Courthouse, located at 100 N. Palafox Street. The Arnow Courthouse is 79,840 rentable square feet (RSF) and provides 5 inside parking spaces and 22 outside surface parking spaces.

The Courthouse Lease expires on July 31, 2017. Upon expiration of the Courthouse Lease, GSA has the right, through an Offer of Donation provided from the City of Pensacola, to assume ownership of the underlying land and improvements. With the end of the current lease term nearing, GSA plans to accept the donation, enabling the Government to take ownership of the District Courthouse land and improvements from the City, at no cost.

Tenant Agencies

Judiciary, U.S. Department of Justice – Office of the U.S Attorney, U.S. Department of Justice - Marshals Service, U.S. Congress – Senate, GSA

Proposed Project

GSA proposes alterations to the District Courthouse that will correct the water intrusion issues in the building by replacing the building's facade, installing a new standing seam metal roof system, repairing structural damage to the building caused by the water

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intrusion, and completely abating the presence of mold created by the water intrusion. The new building envelope will be weathertight and meet the State of Florida hurricane requirements. GSA will also install a new security blast protection system to the exterior during the facade repairs consistent with current security standards. Interior finishes throughout the building damaged by the water intrusion will also be repaired or replaced. In addition, the project will modernize the outdated fire safety system and the heating ventilating and air conditioning (HVAC) system by adding additional variable air volume boxes and a new building automation system to better control the interior humidity. The restrooms in the building will also be upgraded, including the installation of floor drains, replacement of wall finishes, and Architectural Barriers Act Accessibility Standard compliant unisex restrooms will be installed on each floor. Grounds and approaches will be repaired after facade demolition and replacement. Parking will be repaved and waterproofing and drainage will be installed on the site.

Major Work Items

| | |
|----------------------------------|---------------------|
| Superstructure/Exterior Repairs | \$9,750,000 |
| Interior Construction & Finishes | 5,090,000 |
| HVAC Upgrades | 2,181,000 |
| Mold Abatement | 2,078,000 |
| Roof Replacement | 1,485,000 |
| Fire Protection Upgrades | 1,327,000 |
| Electrical Upgrades | 1,308,000 |
| Plumbing Upgrades | 798,000 |
| Site Repairs/Improvements | 760,000 |
| Demolition | <u>482,000</u> |
| Total ECC | \$25,259,000 |

Justification

The existing leased District Courthouse has experienced water intrusion issues dating back to initial occupancy. GSA under the Courthouse Lease is responsible for all maintenance and capital improvements, and has made numerous repairs over the term of the lease to attempt to resolve these issues. However, the selective repairs have not been able to adequately correct the building deficiencies, and water intrusion issues persisted. GSA identified significant water intrusion and mold issues in 2014, and, as a result, GSA is pursuing a comprehensive solution. Due primarily to the health-related concerns reported by building occupants, and the limited ability to move occupants within the building during the proposed renovation without disrupting agency missions, GSA

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relocated all building tenants out of the leased District Courthouse and into a 14,946 rentable square foot lease in June 2015 and the Arnou Courthouse. The 1 N. Palafox Street courthouse is currently vacant and will remain so for the duration of the renovation project.

Summary of Energy Compliance

This project will be designed to conform to requirements of the Facilities Standards for the Public Buildings Service and will implement strategies to meet the Guiding Principles for High Performance and Sustainable Buildings. GSA encourages design opportunities to increase energy and water efficiency above the minimum performance criteria.

Prior Appropriations

N/A

Prior Committee Approvals

N/A

Prior Prospectus-Level Projects in Building (past 10 years):

N/A

Alternatives Considered (30-year, present value cost analysis)

| | |
|-------------------------|---------------|
| Alteration: | \$56,120,271 |
| New Construction: | \$53,371,076 |
| Lease | \$100,838,333 |

GSA has determined that taking ownership of the courthouse and executing the repair and alterations project identified in this prospectus is the most efficient means of housing the U.S. District Courts in Pensacola, FL. The 30-year, present value cost of alteration is \$2,749,195 more than the cost of new construction with an equivalent annual cost disadvantage of \$147,610, and \$44,718,062 less than the cost of a lease with an equivalent annual cost advantage of \$2,548,623. At this time, the GSA Federal Building Fund has the necessary funds available to support the limited alteration of the District Courthouse allowing for re-occupancy of the District Courthouse. Utilizing existing Federal Building Fund resources, the Alteration alternative also provides a long-term housing solution for building occupants more quickly than the New Construction alternative.

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Recommendation

ALTERATION

Certification of Need

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

Submitted at Washington, DC, on March 31, 2016

Recommended: _____


Commissioner, Public Buildings Service

Approved: _____


Administrator, General Services Administration