



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

Peter A. DeFazio
Chairman

Washington, DC 20515

Sam Graves, MO
Ranking Member

Katherine W. Dedrick, Staff Director

COMMITTEE RESOLUTION

Paul J. Sass, Republican Staff Director

LEASE
DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
FRESNO, CA
PCA-01-FR19

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 of up to 170,000 rentable square feet of space, including 868 official parking spaces, for the Department of the Treasury – Internal Revenue Service currently located at 855 M Street, 5045 E. Butler Street, 4976 E. Kings Canyon, and 1325 Broadway Street in Fresno, CA at a proposed total annual cost of \$6,120,000 for a lease term of up to 15 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 agency(ies) agree to apply an overall utilization rate of 88 square feet or less per person, except that, if the Administrator determines that the overall utilization rate cannot be achieved, 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 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 88 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 General Services Administration shall not delegate to any other agency the authority granted by this resolution.

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, not later than 30 calendar days after the date on which a request from the Chairman or Ranking Member of the Committee on Transportation and Infrastructure of the House of Representatives is received by the Administrator of General Services, the Administrator shall provide such Member a response in writing that provides any information requested regarding the project.

Provided further, the Administrator of General Services may not enter into this lease if it does not contain a provision barring any individual holding a Federally-elected office, regardless of whether such individual took office before or after execution of this lease, to directly participate in, or benefit from or under this lease or any part thereof and that such provision provide that if this lease is found to have been made in violation of the foregoing prohibition or it is found that this prohibition has been violated during the term of the lease, the lease shall be void, except that the foregoing limitation shall not apply if the lease is entered into with a publicly-held corporation or publicly-held entity for the general benefit of such corporation or entity.

Provided further, prior to entering into this lease or approving a novation agreement involving a change of ownership under this lease, the Administrator of General Services shall require the offeror or the parties requesting the novation, as applicable, to identify and disclose whether the owner of the leased space, including an entity involved in the financing thereof, is a foreign person or a foreign-owned entity; provided further, in such an instance, the Administrator of General Services shall notify the occupant agency(ies) in writing, and consult with such occupant agency(ies) regarding security concerns and necessary mitigation measures (if any) prior to award of the lease or approval of the novation agreement.

Provided that, to the maximum extent practicable, the Administrator of General Services shall require that the lease procurement consider the availability of public transportation consistent with agency mission requirements and that the space to be leased be renovated for all cost effective improvements, including renewable energy upgrades, water efficiency improvements, and indoor air quality optimization, that reduce greenhouse gas emissions.

Adopted: May 8, 2019


Peter A. DeFazio
Chairman

**PROSPECTUS – LEASE
DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
FRESNO, CA**

Prospectus Number: PCA-01-FR19
Congressional District: CA-16

Executive Summary

The General Services Administration (GSA) proposes a lease of approximately 170,000 rentable square feet (RSF) for the Department of the Treasury, Internal Revenue Service (IRS), to house 1,592 employees. The lease will consolidate: 1,179 Accounts Management employees currently located at 855 M Street; 19 Treasury Inspector General for Tax Administration (TIGTA) employees housed at 5045 E. Butler Street, 66 Integrity & Verification Operations/Return Integrity and Compliance Services (IVO/RICS) personnel currently located at 4976 E. Kings Canyon and 136 Taxpayer Relations employees currently housed at 1325 Broadway Street all in Fresno, California, as well as 192 Accounts Management new hires currently in training. IRS has occupied 122,000 RSF at 855 M Street since October 4, 2003, under a lease that expires on October 3, 2018. Other supporting leases expire on November 30, 2018 and November 30, 2021.

This proposed lease will provide continued housing for IRS that is in line with its recent re-alignment and organizational needs, will accommodate IRS' firm future hiring plans in FY 2019 and FY 2020, and is consistent with the master IRS Fresno Campus space strategy collaboratively developed by IRS and GSA. The office space utilization rate (UR) will remain at 56 square feet per person, and the overall space UR will be 88 square feet per person at award.

Description

Occupant:	Internal Revenue Service
Current Rentable Square Feet (RSF):	153,038 (Current RSF/USF = 1.10)
Estimated Maximum RSF ¹ :	170,000 (Proposed RSF/USF = 1.20)
Expansion RSF:	16,962
Current Usable Square Feet/Person:	87
Estimated/Proposed USF/Person:	88
Expiration Dates of Current Lease(s):	10/03/2018, 11/30/2018 and 11/30/2021 (2 leases)
Proposed Maximum Lease Term:	15 years
Delineated Area:	City of Fresno CBA – North: Divisadero Street South: Highway CA-41 East: R Street

¹ The RSF/USF at the current location is approximately 1.10; however, to maximize competition a RSF/USF ratio of 1.20 is used for the estimated proposed maximum RSF as indicated in the housing plan.

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	West: H Street to Stanislaus Street to Highway CA-99
Number of Official Parking Spaces ² :	868
Scoring:	Operating
Current Total Annual Cost:	\$5,187,988
Estimated Rental Rate ³ :	\$36.00 / RSF
Estimated Total Annual Cost ⁴ :	\$6,120,000

Background

The IRS mission is to provide America's taxpayers quality service by helping them understand and meet their tax responsibilities, and by applying the tax law with integrity and fairness to all.

Justification

The mission of the Accounts Management (AM) organization is to provide assistance to all taxpayers with inquiries related to tax law and accounts via telephone, correspondence and web applications. The AM organization balances the delivery of telephone and paper adjustment programs to ensure that all taxpayers receive a correct and complete response in a timely manner.

It is critical to the operation to house the function of the AM organization into a single location to ensure quality service delivery to taxpayers. The current lease at 855 M Street, Fresno, California, expires on October 3, 2018. IRS requires continued housing to carry out its mission and requires additional space to consolidate new and existing employees related to the Department of Treasury mission in the Fresno, CA, area.

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

² The parking requirement includes 867 privately owned vehicle parking spaces for IRS employees due to shift work at this location.

³ This estimate is for fiscal year 2019 and may be escalated by 1.95 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced including standard 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.

⁴ New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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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.

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 _____

Recommended: _____
Commissioner, Public Buildings Service

Approved: _____
Administrator, General Services Administration

**Housing Plan
Department of the Treasury
Internal Revenue Service**

Leased Locations	CURRENT						ESTIMATED/PROPOSED					
	Personnel		Usable Square Feet (USF) ¹				Personnel		Usable Square Feet (USF)			
	Office	Total	Office	Storage	Special	Total	Office	Total	Office	Storage ⁵	Special ⁶	Total
855 M Street, Fresno, CA	1,179	1,179	94,886	778	15,246	110,910						
1325 Broadway Street, Fresno, CA - Taxpayer Relations ⁷	136	136	7,099	-	886	7,985						
5045 E. Butler Street, Fresno, CA - Accounts Management	192	192	-	-	4,907	4,907						
5045 E. Butler Street, Fresno, CA - TIGTA	19	19	2,517	188	892	3,597						
4976 E. Kings Canyon - IVO/RICS	73	73	9,652	85	1,590	11,327						
Estimated/Proposed Lease	-	-	-	-	-	-			115,290	1,414	24,145	140,849
Total	1,599	1,599	114,154	1,051	23,521	138,726	1,592	1,592	115,290	1,414	24,145	140,849

Office Utilization Rate (UR) ²			
Rate		Current	Proposed
UR = average amount of office space per person		56	56

Current UR excludes 25,114 usf of office support space
Proposed UR excludes 25,364 usf of office support space

Overall UR ³			
Rate		Current	Proposed
		87	88

R/U Factor ⁴			
Total USF		RSF/USF	Max RSF
Current		138,726	1.10
Estimated/Proposed		140,849	1.20

Special Space ⁵		USF
Conference/Training		10,253
Health Unit		1,015
ADP		5,075
Copy Ctr/Mail Room		490
Break Room		6,990
Evidence Storage		161
Tech/Firearms Room		161
Total		24,145

NOTES:

¹ USF means the portion of the building available for use by a tenant's personnel and furnishings and space available jointly to the occupants of the building.

² Calculation excludes Judiciary, Congress and agencies with less than 10 people

³ USF/Person = housing plan total USF divided by total personnel.

⁴ R/U Factor (R/U) = Max RSF divided by total USF

⁵ Storage excludes warehouse, which is part of Special Space.

⁶ Special spaces listed are examples of such spaces and may be subject to change at the time a Request for Lease Proposal (RFP) is issued to meet specific agency requirements.

⁷ Taxpayer Relations component (8,417 RSF) moving / consolidating from 1325 Broadway Street (180,481 RSF total).

⁸ New Accounts Management Employees in off-site training at 5045 E. Butler St. (moving from training rooms to typical office setup)