



**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**  
**INTERNAL REVENUE SERVICE**  
**U.S. TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION**  
**KANSAS CITY, MO**  
**PMO-01-KC19**

*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 1,140,000 rentable square feet of space, including 4,900 official parking spaces, for the Internal Revenue Service and the U.S. Treasury Inspector General for Tax Administration currently located at 333 West Pershing Road in Kansas City, MO at a proposed total annual cost of \$34,872,600 for a lease term of up to 20 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 156 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 156 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  
INTERNAL REVENUE SERVICE  
U.S. TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION  
KANSAS CITY, MO**

Prospectus Number: PMO-01-KC19  
Congressional District: 05

**Executive Summary**

The General Services Administration (GSA) proposes a lease for approximately 1,140,000 rentable square feet (RSF) for the Department of the Treasury's Internal Revenue Service (IRS) and U.S. Treasury Inspector General for Tax Administration (TIGTA). IRS and TIGTA are currently housed at 333 West Pershing Road in Kansas City, MO, under a lease that expires on November 30, 2021.

The lease will provide continued housing for IRS and TIGTA and will improve the office and overall space utilization rates from 118 to 95 and 193 to 156 usable square feet (USF) per person, respectively.

**Description**

Occupant:	IRS and TIGTA
Current RSF	1,140,000 (Current RSF/USF = 1.13)
Estimated/Proposed Maximum RSF:	1,140,000 (Proposed RSF/USF = 1.13)
Expansion/Reduction RSF:	None
Current USF/Person:	193
Estimated/Proposed USF/Person:	156
Expiration Dates of Current Lease(s):	11/30/2021
Proposed Maximum Leasing Authority:	20 years
Delineated Area:	North: I-70/I-35 South: 31st Street East: Campbell Street and I-70 West: I-35 and Summit Street
Number of Official Parking Spaces:	4,900
Scoring:	Operating
Current Total Annual Cost:	\$37,825,200 (leases effective 12/1/2006)
Estimated Rental Rate <sup>1</sup> :	\$30.59 / RSF
Estimated Total Annual Cost <sup>2</sup> :	\$34,872,600

<sup>1</sup> This estimate is for fiscal year 2022 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 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.

<sup>2</sup> 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 building at 333 West Pershing Road comprises 1,140,000 RSF and was constructed in 2006 to consolidate numerous IRS locations in the Metropolitan Kansas City, Missouri, area into a Federal income tax submissions center for IRS. The lease included the adaptive reuse of the historic Kansas City Main Postal facility as part of the building.

GSA will consider whether IRS and TIGTA'S continuing housing needs should be satisfied in the existing location based on an analysis of other potential locations within the delineated area. If other potential locations are identified, GSA will conduct a cost-benefit analysis to determine whether the Government can expect to recover the relocation and duplication costs of real and personal property needed for IRS and TIGTA to accomplish their missions.

**Justification**

IRS's mission is to provide top-quality service to America's taxpayers by helping them understand and meet their tax responsibilities, and by applying the tax law with integrity and fairness to all. TIGTA provides audits, investigations, inspections, and evaluations to protect fair administration of the Federal tax system and ensure collection of tax revenue.

The existing building functions as an individual-tax-return paper processing and depository collection center, and is expected to retain this function even as taxpayers adopt the transition to electronic filing to an increasing degree. To reduce redundancy of processing operations, IRS is planning phased consolidation of its business-tax-return paper processing operations from Covington, Kentucky, and Fresno, California, into the Kansas City operations. Later in 2024, the paper business-tax-return processing operations in Austin, Texas, will also be moved to this location.

The current lease at 333 West Pershing Road in Kansas City, Missouri, expires on November 30, 2021. IRS and TIGTA require continued housing to carry out their missions.

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**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.

**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 extension. 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 project is the best solution to meet a validated Government need.

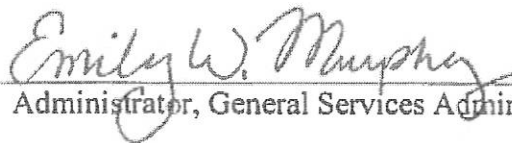
Submitted at Washington, DC, on October 12, 2018

Recommended: \_\_\_\_\_



Commissioner, Public Buildings Service

Approved: \_\_\_\_\_



Administrator, General Services Administration

**Housing Plan**  
**Internal Revenue Service**  
**U.S. Treasury Inspector General for Tax Administration**

Leased Locations	CURRENT					ESTIMATED/PROPOSED				
	Personnel		Usable Square Feet (USF) <sup>1</sup>			Personnel		Usable Square Feet (USF) <sup>1</sup>		
	Office	Total	Office	Storage	Special	Total	Office	Storage <sup>5</sup>	Special <sup>6</sup>	Total
333 W Pershing Rd, Kansas City, MO										
IRS	4,862	5,196	736,098	4,978	259,598	1,000,674				
HCTA	21	21	4,404	-	-	4,404				
Estimated/Proposed Lease										
IRS							6,060	736,098	4,978	1,000,674
HCTA							21	4,404	-	4,404
Total	4,883	5,217	740,502	4,978	259,598	1,005,078	6,081	740,502	4,978	1,005,078

Office Utilization Rate (UR) <sup>2</sup>		
Rate	Current	Proposed
	118	95

UR - average amount of office space per person  
Current UR excludes 162,910 sq ft of office support space  
Proposed UR excludes 162,910 sq ft of office support space

Overall UR <sup>3</sup>		
Rate	193	156

R/U Factor <sup>4</sup>			
Total USF	RSF/USF	Max RSF	
1,005,078	1.13	1,140,000	Current
1,005,078	1.13	1,140,000	Estimated/Proposed

Special Space <sup>6</sup>		USF
Conference		61,383
Automatic Data Processing		14,388
Food Service - cafeteria		12,179
Breakroom/Kitchenette		11,178
Tax Return Receiving (Workroom)		57,485
High Density Files		8,549
Security Screening		1,413
File		16,623
Restrooms		1,975
Mail		5,907
Health Unit		980
Warehouse		61,771
Fitness Center		5,767
Total		259,598

## NOTES:

<sup>1</sup> 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.<sup>2</sup> Calculation excludes Judiciary, Congress, with less than 10 people.<sup>3</sup> USF/Person = housing plan total USF divided by total personnel.<sup>4</sup> R/U Factor = Max RSF divided by total USF<sup>5</sup> Storage excludes warehouse, which is part of Special Space.<sup>6</sup> Special spaces listed are examples of such spaces and may be subject to change at the time a Request for Lease Proposal (RLP) is issued to meet specific agency requirements.