

**PROSPECTUS – BUILDING ACQUISITION  
FRANK R. LAUTENBERG U.S. POST OFFICE AND COURTHOUSE  
NEWARK, NJ**

Prospectus Number: PNJ-4324-NE14  
Congressional District: 10

**FY2014 Project Summary**

The General Services Administration (GSA) proposes to acquire, the Frank R. Lautenberg U.S. Post Office and Courthouse (POCH) located at 2 Federal Square, in Newark, NJ. GSA seeks to acquire the 429,016 rentable square foot (rsf) building from the U.S. Postal Service for no more than \$23,000,000. In addition to the acquisition of the POCH, GSA proposes the first of two phases to modernize building systems, rehabilitate the building's infrastructure, and demolish the postal workspace for future useable office space. The project will also address critical life safety issues.

**FY2014 Committee Approval Requested**

**(Acquisition, Design, Construction, M&I).....\$66,003,000**

**FY2014 Appropriation Requested**

**(Acquisition, Phase I Design M&I, Construction).....\$31,000,000**

**Building**

The POCH provides approximately 429,016 rentable square feet of space (rsf) consisting of five floors above grade with an attic and one below-grade floor which contains office space, the building's power plants and a tunnel connection to the Martin Luther King Jr. U.S. Courthouse (MLK CT). The basement, first, second and partial fifth floor is currently occupied by the United States Post Service (USPS). Their occupancy in the building represents approximately 292,277 rsf of space, of which approximately 200,000 rsf is functionally vacant. Through a Memorandum of Agreement (MOA) with the USPS, GSA currently leases 136,739 rsf of space on floors three, four and five (partial) in the building on behalf of the U.S. Marshals Service and U.S. Courts. The MOA between the USPS and GSA expires September 2014.

The building, located at the southern edge of the Central Business District in Newark, is part of the City's Federal Courts and Office Complex. It is sited opposite the Peter W. Rodino Federal Building, the MLK CT and one block North of Newark's City Hall. Built in 1936, the building is an example of Greek Revival architecture.

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**Project Budget**

**Building and Site Acquisition (FY2014) .....\$23,000,000**

**Design**

Phase I (FY2014) .....\$2,114,000

Phase II (TBD) .....774,000

**Design Subtotal.....\$2,888,000**

**Estimated Construction Cost (ECC)**

Phase I (FY2014) .....\$4,408,000

Phase II (TBD) .....32,651,000

**ECC Subtotal.....\$37,059,000**

**Management and Inspection (M&I)**

Phase I (FY2014) .....\$1,478,000

Phase II (TBD) .....1,578,000

**Management and Inspection Subtotal .....\$3,056,000**

**Estimated Total Project Cost (ETPC)\*.....\$66,003,000**

**FY2014 Committee Approval Requested**

**(Acquisition, Design, Construction, M&I).....\$66,003,000**

**FY2014 Appropriation Requested**

**(Acquisition, Phase I Design, M&I, Construction).....\$31,000,000**

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

<b><u>Schedule</u></b>	<b><u>Start</u></b>	<b><u>End</u></b>
Design		
Phase I	FY2014	FY2015
Phase II	TBD	TBD
Construction		
Phase I	FY2014	FY2015
Phase II	TBD	TBD

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**Overview of Project**

GSA proposes a two-phased project for the POCH. Phase I of the project will include the acquisition of the POCH, partial design, construction, and M&I. Phase I will also include roof replacement and roof deck repairs. Phase II of the project, will replace and/or upgrade many of the outdated and deteriorating building systems. Approximately 70,000 square feet of U.S. Postal Service (USPS) workspace will be demolished in Phase II, to facilitate future conversion to usable office space.

The project will also address any potential life safety issues and remediate hazardous materials as required. All of this work will be completed in a manner that respects the historic fabric of the courthouse.

**Tenant Agencies**

U.S. Court of Appeals; U.S. District Courts; Pre-Trial Services; U.S. Marshals; USPS; GSA

**Justification**

The USPS currently owns and maintains the property and is responsible for facility and tenant-alteration requests. The property is currently not maintained to the standards identified for GSA owned or leased space, and certain fire and life-safety issues compromise the Government's use of the space. Based on GSA's experience as a property manager, GSA has identified that many of the building systems are outdated, do not meet current code, and are not energy efficient.

Elevators are outdated. The freight elevator cab is also in need of modernization.

Lighting controls do not meet energy codes and power distribution in courtrooms is inadequate. In addition, the building does not have all life-safety systems connected to emergency power. The existing sprinkler system does not cover the entire building and standpipe coverage does not meet current code requirements.

The existing HVAC system requires upgrades to improve temperature controls and energy use throughout the building. The existing air distribution systems in the first and second floors do not provide adequate control of temperature and energy use in these spaces.

The condition of the flat roofs which is causing some leaking needs to be replaced.

The conversion of USPS space to office space will allow for the backfill of tenants currently housed in leased space in and around Newark, New Jersey. Relocating customer agencies into

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the POCH will allow the Government to release costly lease space and reduce annual lease payments to the private sector.

**Tenant Agencies**

U.S. Court of Appeals; U.S. District Courts; Pre-Trial Services; U.S. Marshals; USPS; GSA

**Major Work Items**

Exterior Construction	\$5,547,000
Site Improvements	2,320,000
Electrical Lighting and System Upgrade/Replacement	3,921,000
Elevator Upgrades	2,982,000
HVAC and Plumbing Improvements	3,876,000
Environmental Remediation	7,662,000
Life-Safety Improvements	9,763,000
Interior Construction	<u>988,000</u>
<b>Total ECC</b>	<b>\$37,059,000</b>

**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**

None

**Prior Committee Approvals**

None

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

None

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

Acquisition/Alteration .....	\$231,204,000
New Construction .....	\$286,265,000
Lease .....	\$335,334,000

The 30-year, present value cost of purchase is \$55,061,000 less than the new construction alternative, an equivalent annual cost advantage of \$3,107,000.

**Recommendation**

ACQUISITION/ALTERATION

**Certification of Need**

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

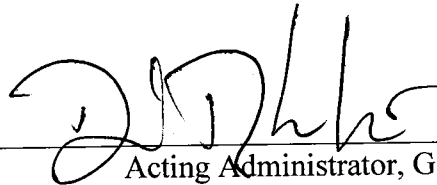
Submitted at Washington, DC, on April 4, 2013

Recommended



Commissioner, Public Buildings Service

Approved



Acting Administrator, General Services Administration