



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 HEALTH AND HUMAN SERVICES, DEPARTMENT OF COMMERCE,
AND FEDERAL HOUSING FINANCE AGENCY
CHICAGO, IL
PIL-01-CH20

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 184,042 rentable square feet of space, including 32 official parking spaces, for the Department of Health and Human Services, the Department Of Commerce – International Trade Administration, and the Federal Housing Finance Agency currently located at 233 N. Michigan Avenue in Chicago, IL, at a proposed total annual cost of \$7,166,595 for a lease term of up to 3 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 328 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 328 square feet or higher per person.

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: **February 26, 2020**



Peter A. DeFazio
Chair

JAMES M. INHOFE, OKLAHOMA
SHELLEY MOORE CAPITO, WEST VIRGINIA
KEVIN CRAMER, NORTH DAKOTA
MIKE BRAUN, INDIANA
MIKE ROUNDS, SOUTH DAKOTA
DAN SULLIVAN, ALASKA
JOHN BOOZMAN, ARKANSAS
ROGER WICKER, MISSISSIPPI
RICHARD SHELBY, ALABAMA
JONI ERNST, IOWA

THOMAS R. CARPER, DELAWARE
BENJAMIN L. CARDIN, MARYLAND
BERNARD SANDERS, VERMONT
SHELDON WHITEHOUSE, RHODE ISLAND
JEFF MERKLEY, OREGON
KIRSTEN GILLIBRAND, NEW YORK
CORY A. BOOKER, NEW JERSEY
EDWARD J. MARKEY, MASSACHUSETTS
TAMMY DUCKWORTH, ILLINOIS
CHRIS VAN HOLLEN, MARYLAND

RICHARD M. RUSSELL, MAJORITY STAFF DIRECTOR
MARY FRANCES REPKO, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

COMMITTEE RESOLUTION

LEASE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DEPARTMENT OF COMMERCE

FEDERAL HOUSING FINANCE AGENCY

CHICAGO, IL

PIL-01-CH20

RESOLVED BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS OF THE UNITED STATES SENATE

that pursuant to title 40 U.S.C. § 3307, a prospectus providing for a lease of up to 184,042 rentable square feet of space, including 32 official parking spaces, for the Department of Health and Human Services, Department of Commerce, and the Federal Housing Finance Agency, for a proposed maximum leasing rate of \$7,166,595 for a lease term of up to 3 years, a description of which is attached hereto and by reference made part of this resolution.

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

Provided, that to the maximum extent practicable, the Administrator of General Services shall require that the procurement include energy efficiency requirements as would be required for the construction of a federal building.

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 Environment and Public Works of the United States Senate prior to exercising any lease authority provided in this resolution.


Provided further, that the Administrator shall provide to the Chairman or Ranking Member of the Committee on Environment and Public Works of the Senate, in a timely manner, requested documents and information regarding this prospectus and resulting contractual materials, without redaction other than redactions to exclude business confidential, proprietary, and/or procurement sensitive information.

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 further, that the Administrator shall not delegate to any other agency the authority granted by this resolution.


Chairman


Ranking Member

Adopted: September 25, 2019

**PROSPECTUS – LEASE
DEPARTMENT OF HEALTH AND HUMAN SERVICES,
DEPARTMENT OF COMMERCE,
AND
FEDERAL HOUSING FINANCE AGENCY
CHICAGO, IL**

Prospectus Number: PIL-01-CH20
Congressional District: IL-07

Executive Summary

The General Services Administration (GSA) proposes a lease extension of up to 3 years for 184,042 rentable square feet (RSF) for the U.S. Department of Health and Human Services (HHS), U.S. Department of Commerce–International Trade Administration (ITA), and Federal Housing Finance Agency (FHFA), currently located at 233 N. Michigan Avenue, Chicago, IL. HHS has occupied space in the building since 12/1/2010 under a lease that expires on 11/30/2020. ITA and FHFA moved to this location after the lease commenced.

Extension of the current leases will enable HHS, ITA, and FHFA to provide continued housing for current personnel and meet their current mission requirements. The agencies will maintain the office and overall utilization rates at 176 and 328 usable square feet (USF) per person respectively.

Description

Occupant:	HHS, ITA, and FHFA
Lease Type:	Lease Extension
Current RSF:	184,042 (Current RSF/USF = 1.18)
Estimated/Proposed Maximum RSF:	184,042 (Proposed RSF/USF = 1.18)
Expansion/Reduction RSF:	None
Current USF/Person:	328
Estimated/Proposed USF/Person:	328
Expiration Dates of Current Lease(s):	11/30/2020
Proposed Maximum Leasing Authority:	3 years
Delineated Area:	Chicago Central Business District
Number of Official Parking Spaces:	32
Scoring:	Operating
Current Total Annual Cost:	\$6,016,078 (lease effective 12/01/2010)
Estimated Rental Rate ¹ :	\$38.94 / RSF
Estimated Total Annual Cost:	\$7,166,595

¹ This estimate is for fiscal year 2021 and may be escalated by 2.0 percent per year 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. 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.

**PROSPECTUS – LEASE
DEPARTMENT OF HEALTH AND HUMAN SERVICES,
DEPARTMENT OF COMMERCE,
AND
FEDERAL HOUSING FINANCE AGENCY
CHICAGO, IL**

Prospectus Number: PIL-01-CH20
Congressional District: IL-07

Background

HHS's mission is to enhance the health and well-being of all Americans by providing for effective health and human services and by fostering sound, sustained advances in the sciences underlying medicine, public health, and social services. ITA's mission is to create prosperity by strengthening the international competitiveness of U.S. industry, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements. FHFA was established by the Housing and Economic Recovery Act of 2008 and is responsible for the effective supervision, regulation, and housing mission oversight of Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System.

Justification

The current lease expires on 11/30/2020, and the agencies require continued housing at this location to carry out their missions until the long-term action is completed. HHS will relocate to a lease at a significantly reduced footprint and below the prospectus threshold. GSA is working with both ITA and FHFA to relocate these agencies to federally owned space at a reduced square footage.

A 3-year lease extension will provide HHS, ITA, and FHFA sufficient time to accomplish their relocation plans and budget for move costs accordingly. GSA will attempt to negotiate a flexible lease term of 3 years with termination rights after the first year to provide flexibility for future plans.

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.

**PROSPECTUS – LEASE
DEPARTMENT OF HEALTH AND HUMAN SERVICES,
DEPARTMENT OF COMMERCE,
AND
FEDERAL HOUSING FINANCE AGENCY
CHICAGO, IL**

Prospectus Number: PIL-01-CH20
Congressional District: IL-07

Certification of Need

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

Submitted at Washington, DC, on September 12, 2019.

Recommended: _____



Commissioner, Public Buildings Service

Approved: _____



Administrator, General Services Administration

December 2018

Housing Plan
Department of Health and Human Services

PIL-01-CH20
Chicago, IL

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
233 N. Michigan Avenue												
Department of Health and Human Services	444	444	100,544	9,676	36,791	147,011						
Commerce Dept International Trade Administration	28	28	3,558	217	835	4,610						
Federal Housing Finance Agency - OIG	4	4	3,512		976	4,488						
Estimated/Proposed Lease							476	476	107,614	9,893	38,602	156,109
Total	476	476	107,614	9,893	38,602	156,109	476	476	107,614	9,893	38,602	156,109

Office Utilization Rate (UR) ²		
	Current	Proposed
Rate	176	176

UR = average amount of office space per person

Current UR excludes 23,675 usf of office support space

Proposed UR excludes 23,675 usf of office support space

Overall UR ³		
	Current	Proposed
Rate	328	328

R/U Factor ⁴			
	Total USF	RSF/USF	Max RSF
Current	156,109	1.18	184,042
Estimated/Proposed	156,109	1.18	184,042

Special Space ⁶	USF
Conference/Training	23,429
Evidence Room	8,087
Food Service	2,935
ADP	2,886
Mail Room	696
Health Unit	469
Interview Room	100
Total	38,602

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 people³ USF/Person = housing plan total USF divided by total personnel.⁴ R/U Factor (R/U) = Max RSF divided by total USF⁵ 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 (RLP) is issued to meet specific agency requirements.