



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

**Bill Shuster**  
**Chairman**

**Washington, DC 20515**

**Peter A. DeFazio**  
**Ranking Member**

Christopher P. Bertram, Staff Director

Katherine W. Dedrick, Democratic Staff Director

**COMMITTEE RESOLUTION**

**LEASE**  
**INTERNAL REVENUE SERVICE**  
**GUAYNABO, PR**  
**PPR-02-GU15**

*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 replacement lease of up to 92,500 rentable square feet of space, including 21 official parking spaces, for the Internal Revenue Service currently located at the San Patricio Office Center at 7 Tabonuco Street in Guaynabo, Puerto Rico, at a proposed total annual cost of \$4,625,000 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 agencies agree to apply an overall utilization rate of 146 square feet or less per person.

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

Adopted: February 12, 2015

Bill Shuster, M.C.  
Chairman

**PROSPECTUS – LEASE  
INTERNAL REVENUE SERVICE  
GUAYNABO, PR**

Prospectus Number: PPR-02-GU15  
Congressional District: AL

**Executive Summary**

The General Services Administration (GSA) proposes a replacement lease of up to 92,500 rentable square feet (RSF) of space for the Internal Revenue Service (IRS), currently located at the San Patricio Office Center, at 7 Tabonuco Street, Guaynabo, Puerto Rico, under a lease expiring November 5, 2015.

The replacement lease will provide continued housing for IRS and will improve office and overall utilization rates from 87 to 64 usable square feet (USF) per person and 160 to 146 USF per person, respectively. As a result of the improved utilization, the replacement lease will reduce the rentable square footage of the requirement by approximately 10 percent, a 10,201 RSF reduction from IRS's current occupancy.

**Description**

Occupant:	Internal Revenue Service
Lease Type	Replacement
Current Rentable Square Feet (RSF)	102,701
Proposed Maximum RSF:	92,500
Expansion/Reduction RSF:	10,201 RSF reduction
Current Usable Square Feet/Person:	160
Proposed Usable Square Feet/Person:	146
Proposed Maximum Lease Term:	20 Years
Expiration Dates of Current Leases:	11/05/2015
Delineated Area:	Guaynabo and Hato Rey within the San Juan metropolitan area.
Number of Official Parking Spaces:	21
Scoring:	Operating lease
Maximum Proposed Rental Rate <sup>1</sup> :	\$50.00 per RSF
Proposed Total Annual Cost <sup>2</sup> :	\$4,625,000
Current Total Annual Cost:	\$4,380,517 (lease effective 11/6/2000)

<sup>1</sup> This estimate is for fiscal year 2016 and may be escalated by 2.0 percent annually 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 a basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government. Lease award shall not exceed the maximum rental rate as specified in this prospectus.

<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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**Justification**

IRS is currently located at the San Patricio Office Center in Guaynabo and the ability of its personnel to operate efficiently is hindered by the distribution of work functions over several floors. As a result, IRS would like to consolidate its operations by reducing its space requirements by 10,201 rentable square feet. In the absence of this reduction, the status quo cost of continued occupancy at the proposed market rental rate would be \$5,135,050 per year. A new consolidated location will provide IRS with efficient space to meet its current requirements as well as their long-term housing needs in the San Juan/Guaynabo 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 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.



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**Certification of Need**


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

Submitted at Washington, DC, on September 29, 2014

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

  
Commissioner, Public Buildings Service

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

  
Administrator, General Services Administration

April 2014

Housing Plan  
Internal Revenue Service

PPR-02-GU15  
Guaynabo, PR

Locations	CURRENT						PROPOSED					
	Personnel		Usable Square Feet (USF) <sup>1</sup>				Personnel		Usable Square Feet (USF)			
	Office	Total	Office	Storage	Special	Total	Office	Total	Office	Storage	Special	Total
7 Tobonuco Street, Guaynabo, PR Proposed Lease	523	523	58,455	7,000	18,000	83,455						
Total	523	523	58,455	7,000	18,000	83,455	515	515	42,023	16,875	16,305	75,203
							515	515	42,023	16,875	16,305	75,203

Office Utilization Rate (UR) <sup>2</sup>			
Rate	Current	Proposed	
	87	64	

UR=average amount of office space per person  
Current UR excludes 12,860 usf of office support space  
Proposed UR excludes 9,245 usf of office support space

Overall UR <sup>3</sup>			
Rate	Current	Proposed	
	160	146	

R/U Factor <sup>4</sup>			
	Total USF	RSF/USF	Max RSF
Current	83,455	1.23	102,701
Proposed	75,203	1.23	92,500

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 and agencies 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

Special Space		USF
Health Unit		1,418
NTEU President		348
Mail Room		1,564
Conference/Training		11,850
ADP		625
Food Service Area		500
Total		16,305

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JOHN BARRASSO, WYOMING  
SHELLEY MOORE CAPITO, WEST VIRGINIA  
MIKE CRAPO, IDAHO  
JOHN BOOZMAN, ARKANSAS  
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# United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

## COMMITTEE RESOLUTION

20510-6175

RYAN JACKSON, MAJORITY STAFF DIRECTOR  
BETTINA POIRIER, DEMOCRATIC STAFF DIRECTOR

### REPLACEMENT LEASE INTERNAL REVENUE SERVICE GUAYABO, PR PPR-02-GU15

### 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 replacement lease of up to 92,500 rentable square feet of space, including 21 official parking spaces, for the Internal Revenue Service currently located at the San Patricio Office Center at 7 Tabonuco Street in Guaynabo, Puerto Rico, at a maximum proposed rental rate of \$50 per rentable square foot, at a proposed total annual cost of \$4,625,000 for a lease term of up to 20 years, a description of which is attached hereto and by reference made part of this resolution, is approved.

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 not delegate to any other agency the authority granted by this resolution.

  
Chairman  
Ranking Member

Adopted: April 28, 2015