

**PROSPECTUS – LEASE
DEPARTMENT OF THE TREASURY
WASHINGTON, DC**

Prospectus Number: PDC-01-WA23

Executive Summary

The General Services Administration (GSA) proposes a lease of approximately 103,000 rentable square feet (RSF) for the Department of the Treasury (Treasury), currently located at 1750 Pennsylvania Ave. under three leases and at 1722 I St. in Washington, DC. Treasury has occupied space at 1750 Pennsylvania Avenue since 2012 under leases that expire 8/19/2025 and at 1722 I Street since 2015 under a lease that expires 8/19/2025.

The proposed lease will provide continued housing for the Treasury and will change the office and overall space utilization rates from 108 to 97 and 187 to 179 and (USF) per person, respectively.

Description

Occupant:	Department of the Treasury
Current RSF:	195,383 (Current RSF/USF = 1.21)
Estimated/Proposed Maximum RSF: ¹	103,000 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF:	92,383 RSF Reduction
Current USF/Person:	187
Estimated/Proposed USF/Person:	179
Expiration Dates of Current Lease(s):	both expire 8/19/2025
Proposed Maximum Lease Term:	20 years
Delineated Area:	Washington, DC, Central Employment Area
Number of Official Parking Spaces:	0
Scoring:	Operating
Current Total Annual Cost:	\$8,808,751
Estimated Rental Rate: ²	\$50.00 / RSF
Estimated Total Annual Cost: ³	\$5,150,000

Background

Treasury's mission is to maintain a strong economy and create economic and job opportunities by promoting the conditions that enable economic growth and stability at home and abroad, strengthen national security by combating threats and protecting the

¹ The RSF/USF at the current locations are averaged at approximately 1.21; 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.

² This estimate is for fiscal year 2026 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 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.

³ New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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integrity of the financial system, and manage the U.S. Government's finances and resources effectively.

The Office of Management, located within Treasury's headquarters, is responsible for management policy and for budget, operations, human resources, information and technology management, financial management and accounting, procurement, privacy, and records. The Office of Management provides direct onsite support to the Treasury Secretary, the Deputy Secretary, and the departmental offices' policy office at Main Treasury located on the White House Complex. Treasury's Office of Technical Assistance (OTA) supports the development of strong financial sectors and sound public financial management in countries where assistance is needed and where there is a strong commitment to reform. These offices are currently housed under the three leases.

Treasury's reduction in real property is the product of a multi-faceted shift in housing strategy for Treasury departmental offices. During the many months of mandatory telework, the Office of Management and the Office of Technical Assistance (OTA) evaluated their offices' missions, COVID-19's impact on operations, and the resulting new business processes, staff interaction needs, customer requirements, available technology, and real property utilization. The conclusion is that business process improvements, creative scheduling, and increased availability of IT tools can provide the required flexibility needed to allow Treasury to reduce its real estate footprint in the Washington, DC, downtown district.

Justification

Treasury is currently housed in three leases at 1750 Pennsylvania Ave. and one lease at 1722 I Street NW that all expire concurrently on August 19, 2025. Treasury requires continued housing to carry out its mission.

This prospectus consolidation will facilitate a modernized workforce with a more robust telework program. Approximately half of the currently housed personnel are moving to increased telework and will not be accommodated under the replacement transaction. A small percentage will go into other existing Treasury spaces. By consolidating the currently separate locations, the proposed lease will increase efficiency, streamline operations, and eliminate redundant space while maintaining mission readiness.

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.

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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.

OMB Memorandum M-21-25 Implementations and Long-Term Space Requirements

The requirements within this prospectus reflect the known space needs prior to its submission to Congress. Agencies continue to develop their return to physical workplaces strategies consistent with OMB Memorandum M-21-25, incorporate lessons learned while working both in person and under maximum telework during the COVID-19 pandemic, and determine each agency's long-term space posture. Accordingly, the requirements outlined in this prospectus may change prior to award of a lease. In the event that a change results in a revised requirement that makes a material change and does not fit within the acceptable parameters of the congressional resolutions, GSA will submit an amended prospectus for consideration by the House Committee on Transportation and Infrastructure and Senate Committee on Environment and Public Works.


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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 10/13/2022

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Administrator, General Services Administration