

**PROSPECTUS
CONSTRUCTION
OR
BUILDING ACQUISITION
FEDERAL BUREAU OF INVESTIGATION
CLEVELAND, OH**

Prospectus Number: POH-FBC-CL21
Congressional District: 9, 11, 14, 16

FY 2021 Project Summary

The General Services Administration (GSA) proposes to provide, either through acquisition of an existing building or the acquisition of a site and construction, a new field office for the Department of Justice–Federal Bureau of Investigation (FBI) in Cleveland, OH. The federally owned facility will provide continued housing for the FBI to accomplish its mission and provide significant long-term savings to the American taxpayer. The proposed acquisition or construction will reduce the Government’s rental payment to the private sector by approximately \$6,000,000 annually.

FY 2021 Committee Approval and Appropriation Requested¹

**(Building Acquisition/
or Site Acquisition, Design, Construction, and Management and Inspection) \$80,186,000**

Overview of Project

This proposed project will provide a new field office facility for the FBI in Cleveland, either through the purchase of an existing building or the purchase of a site and the construction of a new building on that site. The federally owned field office will provide continued housing for the FBI and replace the existing leased field office, which includes approximately 126,000 rentable square feet/147,000 gross square feet (GSF) of office, storage, and special space, plus 393 parking spaces.

Site Information

To be acquired approximately 8.3 acres

Building Area

Building without parking 147,000 GSF
Parking spaces 393

¹ If acquisition of an existing facility is determined to be more cost-effective than Federal construction, GSA may allocate a portion of the estimated total project cost to undertake any needed repairs and alterations to the acquired facility.

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Project Budget²

Site.....	\$2,131,000
Design.....	6,529,000
Estimated Construction Cost (ECC).....	67,173,000
Management and Inspection (M&I).....	4,353,000
Estimated Total Project Cost (ETPC)*.....	\$80,186,000

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

Schedule

	Start	End
Design and Construction	FY 2021	FY 2027

Tenant Agencies

FBI

Justification

The FBI plays a vital law enforcement and national security role. The federally owned facility will provide continued housing for the FBI to accomplish its mission and provide significant long-term savings to the American taxpayer. The current leased solution is far costlier than a federally owned solution, and over the past several years, GSA has been unable to successfully complete a lease procurement at commercially equivalent rental rates for this market. Further, because the current leased facility was build-to-suit, upfront tenant improvement costs were built into the rate. GSA entered into the original lease in 2002, at an annual rent cost of \$4.4 million with approximately \$10 million in tenant improvement cost amortized into the initial 10 year lease term.

Those amortized costs are now paid off, leaving the Government's current rental rate far in excess of the local commercial market.

² The estimated project budget assumes the acquisition of land and the design and construction of a new facility to house the FBI. If an existing facility that meets the FBI's requirements is identified and purchase is determined to be cost-effective, the requested appropriations could be used for the aggregate of the acquisition of a facility at a price not to exceed fair market value, any associated closing costs, and any repairs and alterations necessary to meet the FBI's needs.

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Government ownership of the FBI Field Office in Cleveland will address in part the Government's long-term reliance on costly leases highlighted in U.S. Government Accountability Office report GAO-08-197 that were the result of a series of complex decisions that were made more than two decades ago. The Government entered into a number of FBI Field Office lease transactions with high rental rates and high Federal upfront costs in the early 2000s that are nearing their expiration dates, now resulting in limited competition and high costs at the time of replacement lease competition. Federal ownership of this proposed long-term solution ensures that the FBI's law enforcement and national security needs are met in the most secure and cost-effective manner possible.

The proposed acquisition or construction of an FBI field office in Cleveland will reduce the Government's rental payment to the private sector by approximately \$6,000,000 annually.

Summary of Energy Compliance

This project will be designed to conform to requirements of the *Facilities Standards for the Public Buildings Service*. GSA encourages cost-effective design opportunities to increase energy and water efficiency above the minimum performance criteria.

Prior Appropriations

None

Prior Committee Approvals

None

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

New Construction	\$127,299,000
Lease	\$196,048,000

The 30-year, present-value cost of new construction is \$68,749,000 less than the cost of leasing, an equivalent annual cost advantage of \$3,241,000.

Recommendation

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Certification of Need

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

February 19, 2020

Submitted at Washington, DC, on _____

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Administrator, General Services Administration