



October 31, 2019

Mr. Russell Vought  
Acting Director  
Office of Management and Budget  
725 17th Street, NW  
Washington, DC 20503

Dear Acting Director Vought:

Pursuant to section 12(b) of the Federal Assets Sale and Transfer Act of 2016 (“FASTA”), Public Law 114-287 as amended, the Public Buildings Reform Board (“PBRB” or the “Board”) is pleased to timely submit recommendations to the Office of Management and Budget (“OMB”) for the sale of not fewer than five federal civilian real properties with a total fair market value of not less than \$500 million and not more than \$750 million.

In 2016, Congress, on a bipartisan basis, created the PBRB as an independent federal agency to manage property sales, consolidations, and redevelopment; reduce operating and maintenance costs and reliance on leased space; and maximize utilization of space across the federal government. The Board’s mission has two major elements: (1) *identify* specific federal real property for disposal and *reform* the federal real property practices in order to “obtain the highest and best value for the taxpayer” and (2) “facilitat[e] and expedit[e] the sale or disposal of unneeded federal civilian real properties”. The recommendations in this letter are the first required under FASTA and address both elements.

Because a quorum of Board members was not sworn in until May 10, 2019 and the deadlines established by FASTA for the identification and transmission of the first set of recommendations were aggressive, the Board will be publishing a comprehensive report on our website in the next several weeks. Our report will explain our findings, conclusions, and recommendations.

Importantly, all recommendations contained in this letter and our report are intended to be budget neutral. For example, if the sale of a recommended property requires leaseback or the movement of employees, equipment, or files, the sales transaction and the purchase agreement will require either the purchaser to pay for these costs directly or the use of the Board’s existing no-year appropriations. A specific example is the proposed sale of the Chet Holifield property in Laguna Niguel, CA, which will be structured to make the purchaser responsible for constructing a new building for the Customs and Immigration Service and funding any required leaseback as a condition of developing the remainder of the site. A similar approach was used successfully to redevelop the Volpe National Transportation Systems Center in Cambridge, MA.

1800 F St NW Washington DC 20005 #5116

Mr. Russell Vought, October 31, 2019

The Board has undertaken extensive efforts to work with local and state officials as well as Members of Congress for each recommended property to ensure the Board's solution and the ultimate sale meet the needs of the local community and return value to the federal government. Moving forward, the Board will remain engaged in directing and branding the entitlement and sales process to be followed. Once our recommendations are approved by OMB, FASTA requires the federal agencies holding title to the properties to submit a Report of Excess to GSA within 60 days. Recognizing the need to fully analyze potential environmental and other entitlement issues, the statute then allows GSA as much time as needed to accept the Report of Excess. Once GSA accepts the Report of Excess, GSA has 120 days to initiate the sales process and one year to complete the sale, which can be extended an additional year with OMB approval. Finally, to ensure flexibility in relocating existing federal employees, FASTA allows a three-year leaseback after sale.

The Board's continuing engagement aims to bring private-sector knowledge and best practices to unlock the value of these properties for the benefit of taxpayers while working collaboratively with other stakeholders. Our recommendations in this report will embody the following core philosophies of reforming the federal government's real estate portfolio:

- **Collaboration.** Collaboration across a broad group of stakeholders is frequently the key to achieving the best possible outcome in complex real estate transactions.
- **Innovation.** Unlocking highest and best use requires innovation and agility, which is unduly constrained under current Federal practices.
- **Transparency.** Increasing transparency reduces risk and expands the pool of potential buyers to the benefit of the federal government.
- **Broad Marketplace Exposure.** Broader exposure generates greater interest, innovation and financial returns.
- **Transaction Certainty.** Increasing certainty reduces risks for developers and increases financial returns to taxpayers.

We fully support each federal agency's mission and are aware of the need to minimize impacts to federal employees during this process. We look forward to continuing engagement with OMB, the rest of the Executive Branch, Congress, and other stakeholders as we continue our vital work under FASTA.

Mr. Russell Vought, October 31, 2019

Sincerely,



D. Talmage Hocker (Board Member)



Mary Phillips (Board Member)



Nick J. Rahall (Board Member)



Angela Styles (Board Member)



David L. Winstead (Board Member)

Enclosure



## Enclosure - High Value Asset List

The Board recommends 14 Federal properties for disposal:

1. Auburn Complex, 400 15th Street SW, Auburn WA 98001- General Services Administration
2. Sacramento Job Corp Center (Excess Land Sale Only), 3100 Meadowview Road, Sacramento CA 95832 - Department of Labor
3. Southwest Fisheries Science Center, 1352 Lighthouse Avenue, Pacific Grove CA 93950 - Department of Commerce
4. Information Operations and Research Center and Shelley-New Sweden Park and Ride Lot, 1155 Foote Drive, Idaho Falls ID 83401 - Department of Energy
5. Edison Job Corp Center (Excess Land Sale Only), 500 Plainfield Avenue, Edison NJ 08817 - Department of Labor
6. Menlo Park, 345 Middlefield Road, Menlo Park CA 94025 - General Services Administration
7. Ronald Reagan Federal Building and Courthouse, 228 Walnut Street, Harrisburg PA 17101 - General Services Administration
8. Robert A. Taft Laboratory, 1150 Tusculum Avenue, Cincinnati, OH 45226 - Department of Health and Human Services
9. Alice Hamilton Laboratory, 5555 Ridge Avenue, Cincinnati OH 45213 - Department of Health and Human Services
10. Federal Archive and Records Center, 6125 Sand Point Way NE, Seattle WA 98115 - National Archives and Records Administration
11. Nike Land (Excess Land Sale Only), 770 Muddy Branch Road, Gaithersburg MD 20899 - Department of Commerce
12. Chet Holifield Federal Building, 24000 Avila Road, Laguna Niguel CA 92677 - General Services Administration
13. Veterans Affairs Denver Medical Center, 1055 Clermont Street, Denver CO 80220 - Department of Veterans Affairs
14. WestEd, 4665 Lampson Avenue, Los Alamitos CA 90720 - Department of Education