

CIVILIAN “BRAC”

Redevelop, Repurpose, and Modernize Excess Federal Buildings

Action Needed:

Pass the Federal Asset Sale and Transfer Act (H.R. 4465 / S. 2375).

The House bill (H.R. 4465) establishes a Public Buildings Reform Board to identify opportunities to reduce the real property inventory and recommendation the sale of up to \$8 billion worth of underutilized and vacant federal properties. The Senate bill (S. 2375) requires at least \$500 million in unneeded properties be disposed of in the initial phase of sales.

Background:

- The federal government is the nation’s largest owner of real property, owning more than 254,000 buildings with an annual operating cost of \$14.4 billion. In fiscal year 2010, there were 77,000 buildings—30 percent of all federal buildings—listed as underutilized or vacant, costing taxpayers \$1.66 billion annually in operations, maintenance and repair costs. Many of these properties can either be disposed of or redeveloped for more beneficial federal use. However, disposing federal real property is a costly and lengthy process.

AGC Message:

- **Disposing of Excess Federal Real Property Can Spur Billions of Dollars in New Construction Activity.** The federal government’s excess and underutilized federal real property is often centrally located in large cities where they would be better utilized by the private sector. Redeveloping these properties can lead to billions of dollars in new construction activity.
 - For example, GSA sold an abandoned heating plant in Washington, D.C., for \$19.5 million that will be converted into high-end condominiums, requiring private construction work of more than \$100 million.
- **Disposing of Excess Federal Real Property Can Create Thousands of Construction Jobs.** Redevelopment construction projects throughout the nation can lead to thousands of new jobs for skilled and unskilled labor, contractors, architects, engineers and the other professions involved in the industry.
- **Disposing of Excess Federal Real Property Can Save Taxpayers.** Since 2005, the General Services Administration has disposed of more than 300 of its own facilities, generating proceeds of more than \$116 million. In FY 2014 alone, GSA partnered with other federal agencies to dispose of 342 federal facilities generating \$42.7 million in proceeds.
- **Disposing of Excess Federal Real Property Can Generate New Revenue For Local, State And Federal Governments.** When these properties are transferred to the private sector for redevelopment, properties that were once tax exempt would now generate new revenue through property taxes and development and construction fees.
- **Disposing of Excess Federal Real Property Can Allow Facilities to be Used for the Public Benefit.** The former Leso-Leano U.S. Army Reserve Center (USARC) in Watertown, NY, was transferred to the Watertown City School District via a Public Benefit Conveyance for educational use. Greenville Site “A” Transmitting Station was conveyed to Beaufort County, NC, as a 100 percent public conveyance for park and recreation purposes.