PUBLIC BUILDINGS REFORM BOARD
Public Meeting

October 28, 2021
Agenda

1. Opening Comments  
   Adam Bodner, Executive Director, PBRB

2. FASTA Background  
   David Winstead, Board Member

3. HVA Sales Update  
   Flavio Peres, Assistant Commissioner, GSA/PBS/RPU&D

4. First Round Process  
   Mary Phillips & Nick Rahall, Board Members

5. Second Round Strategy  
   Angela Styles & Talmage Hocker, Board Members

6. Q & A
FASTA Legislative Background

• **Federal Assets Sale & Transfer Act of 2016** ("FASTA" P.L. 114-287) enacted on December 16, 2016, created an independent process to make recommendations for property disposals, consolidations, lease reductions, cost containment, and other efficiencies across the Federal Government.

• Non-partisan Public Buildings Reform Board ("PBRB") nominated by Congressional leadership and appointed by President.

• Board submits three tranches of recommendations to the Office of Management and Budget ("OMB"); proceeds from prior rounds go to Asset Proceeds and Space Management Fund to fund future projects.

**Key Points**

- Bipartisan
- Reform-Minded
- Collaborative
- Improve Taxpayer Returns
- Improve Federal Workspaces
- Streamline Process
- Leverage Proceeds and Incentives
- Maintain Objectivity and Transparency
PBRB will soon be submitting its second of three recommended property tranches to OMB:

- **High Value Asset Round** is partway through implementation by the General Services Administration ("GSA"), with 3 properties sold, 5 properties active, 4 properties pending, and 1 property removed to date.

- **First Round** will be submitted in December following use of sophisticated Property Screening and Financial Accounting methodologies; evaluations against 18 separate criteria, and accounting for common challenges including relocation timing, historic and environmental risks, and current Asset Fund balance - approximately 16-18 properties will make the final list.

- **Second Round** will see the Board continue stakeholder coordination and due diligence on previously identified properties, provide a narrower set of criteria for agencies to submit new properties, encourage reassessment of workplace needs after Covid-19, and explore alternative sales processes to drive taxpayer value.

---

### Summary of FASTA Implementation

- **FASTA Signed Into Law:** December 2016
- **Board Members Appointed:** May 2019
- **High Value Asset Recommendations Due to OMB:** December 2019
- **First Round Recommendations Due to OMB:** December 2021
- **Second Round Recommendations Due to OMB:** December 2024

---

FASTA Background
High Value Asset Round Update

- High Value Asset (HVA) Round submitted to OMB on December 27, 2019
- 12 properties (across 7 states and 6 landholding agencies)
- GSA Real Property Utilization & Disposal responsible for sale
- Public sales conducted at GSA Real Estate Auction Website here.
# HVA Sales to Date by GSA

## Closed sales (3 properties):

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Location</th>
<th>Date Complete</th>
<th>Final Auction Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edison Job Corps Center (Excess Land)</td>
<td>Edison, NJ</td>
<td>9/24/2021</td>
<td>$4,400,000</td>
</tr>
<tr>
<td>WestEd Office Building</td>
<td>Los Alamitos, CA</td>
<td>9/30/2021</td>
<td>$26,500,000</td>
</tr>
<tr>
<td>Parking Lot</td>
<td>Idaho Falls, ID</td>
<td>TBD</td>
<td>$268,000</td>
</tr>
</tbody>
</table>

## Active sales (5 properties):

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Location</th>
<th>Date Complete</th>
<th>Auction Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald Reagan Federal Building</td>
<td>Harrisburg, PA</td>
<td>TBD</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Auburn Complex</td>
<td>Auburn, WA</td>
<td>TBD</td>
<td>$80,000,000</td>
</tr>
<tr>
<td>Information Operations Research Center</td>
<td>Idaho Falls, ID</td>
<td>TBD</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>Sacramento Job Corps Center (Excess Land)</td>
<td>Sacramento, CA</td>
<td>TBD</td>
<td>$10,600,000</td>
</tr>
<tr>
<td>Nike Missile Site</td>
<td>Gaithersburg, MD</td>
<td>TBD</td>
<td>$9,600,006</td>
</tr>
</tbody>
</table>

## Not yet listed (4 properties):

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Location</th>
<th>Date Complete</th>
<th>Auction Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Menlo Park Complex</td>
<td>Menlo Park, CA</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>SW Fisheries Science Center</td>
<td>Pacific Grove, CA</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Denver VA Medical Center (Partial Disposition)</td>
<td>Denver, CO</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Chet Holifield Federal Building</td>
<td>Laguna Niguel, CA</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>
# Upcoming Opportunities

## Auburn Complex
- **Address**: 400 15th Street SW, Auburn, WA
- **Landholder**: GSA
- **Using Agency**: SSA
- **Year Built**: 1945-1984
- **Current Use**: Office
- **Area**: 1.8M GSF (129 acres)
- **Surrounding Uses**: Industrial
- **Website**: gsa.gov/pacificpoint

## Menlo Park Complex
- **Address**: 345 Middlefield Road, Menlo Park, CA
- **Landholder**: GSA
- **Using Agency**: USGS
- **Year Built**: 1953-1999
- **Current Use**: Office
- **Area**: 400K GSF (17.4 acres)
- **Surrounding Uses**: Office, Retail, Residential
- **Website**: TBD
## Upcoming Opportunities

<table>
<thead>
<tr>
<th>Chet Holifield Federal Building</th>
<th>Denver Medical Center (Partial)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address</strong></td>
<td>24000 Avila Road, Laguna Niguel, CA</td>
</tr>
<tr>
<td><strong>Landholder</strong></td>
<td>GSA</td>
</tr>
<tr>
<td><strong>Using Agency</strong></td>
<td>Treasury</td>
</tr>
<tr>
<td><strong>Year Built</strong></td>
<td>1971</td>
</tr>
<tr>
<td><strong>Current Use</strong></td>
<td>Office</td>
</tr>
<tr>
<td><strong>Area</strong></td>
<td>1.1M GSF (92 acres)</td>
</tr>
<tr>
<td><strong>Surrounding Uses</strong></td>
<td>Commercial, Retail, Residential</td>
</tr>
<tr>
<td><strong>Website</strong></td>
<td>gsa.gov/ziggurat</td>
</tr>
</tbody>
</table>
First Round Process

- Next set of recommendations (First Round) due December 27, 2021
- Process for identifying candidates
  - Detailed screening/scrubbing of the Federal Real Property Profile (FRPP)
  - Agency project submissions and outreach to agencies by PBRB
- Processes developed and refined to address GAO’s recommendation that the Board “fully document the process used to evaluate and recommend candidates”, including:
  - Detailed property screening tool
  - Detailed property evaluation criteria and project grading
  - Detailed financial model
Challenges and Opportunities

• Timing of appropriations to the Asset Proceeds Fund is a constraint to the First Round
  • Recommendations will be sized to match available funding
• Ongoing post-Covid-19 strategic planning by agencies
• Agency institutional preferences towards ownership
• Many properties involve complex issues
  • Historic preservation
  • Environmental contamination
  • Title issues
  • Investment needed before property can be sold
  • Relocation expenses for federal workers
    • OMB would prefer these be addressed upfront to avoid potential risk
• A number of complex properties identified and teed up for the Second Round
## First Round Preliminary Property List

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Agency</th>
<th>City</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARS Glenn Dale</td>
<td>USDA</td>
<td>Glenn Dale</td>
<td>MD</td>
</tr>
<tr>
<td>FDA White Oak (Excess Land)</td>
<td>GSA</td>
<td>Silver Spring</td>
<td>MD</td>
</tr>
<tr>
<td>Fort Worth Federal Center</td>
<td>GSA</td>
<td>Fort Worth</td>
<td>TX</td>
</tr>
<tr>
<td>Gary Job Corps (Excess Land)</td>
<td>DOL</td>
<td>San Marcos</td>
<td>TX</td>
</tr>
<tr>
<td>Goddard Space Flight Center (Excess Land)</td>
<td>NASA</td>
<td>Greenbelt</td>
<td>MD</td>
</tr>
<tr>
<td>Gus J. Solomon U.S. Courthouse</td>
<td>GSA</td>
<td>Portland</td>
<td>OR</td>
</tr>
<tr>
<td>J. Will Robinson Federal Building</td>
<td>GSA</td>
<td>Provo</td>
<td>UT</td>
</tr>
<tr>
<td>Jeffersonville National Processing Center</td>
<td>GSA</td>
<td>Jeffersonville</td>
<td>IN</td>
</tr>
<tr>
<td>Mount Vernon Federal Building</td>
<td>GSA</td>
<td>Mount Vernon</td>
<td>IL</td>
</tr>
<tr>
<td>OKC Property Management Depot</td>
<td>GSA</td>
<td>Oklahoma City</td>
<td>OK</td>
</tr>
<tr>
<td>Racine SSA District Office</td>
<td>GSA</td>
<td>Racine</td>
<td>WI</td>
</tr>
<tr>
<td>Richard B. Anderson Federal Building</td>
<td>GSA</td>
<td>Port Angeles</td>
<td>WA</td>
</tr>
<tr>
<td>Rosa Parks Federal Building</td>
<td>GSA</td>
<td>Detroit</td>
<td>MI</td>
</tr>
<tr>
<td>San Antonio Federal Building West</td>
<td>GSA</td>
<td>San Antonio</td>
<td>TX</td>
</tr>
<tr>
<td>William L. Beatty Federal Building &amp; Courthouse</td>
<td>GSA</td>
<td>Alton</td>
<td>IL</td>
</tr>
</tbody>
</table>

*As of October 28, 2021. Additional properties under final review with agencies. Final property list may change prior to OMB submittal.*
Second Round Strategy and Opportunities

Goal 1: Create Additional Value
1. **Enhance Value:** Maximize engagement with local jurisdiction including entitlement participation
2. **Alternative Structures:** Explore creative financing strategies including exchanges and P3 agreements

Goal 2: Increase Agency Participation
1. **Incentivize Participation:** Communicate refined Second Round criteria to agencies to incentivize new recommendations
2. **Leverage Asset Fund:** Request use of proceeds from prior sales to support consolidation, relocation and disposal projects
3. **Address New Workplace Needs:** Drive further discussion of post-Covid return to work plans for each agency
Potential Second Round Study Examples

Example properties for further study with agencies in Second Round, including consolidation or sale:

- Nebraska Avenue Complex, Washington, DC
- Webster School, Washington, DC
- Montlake Lab, Seattle, WA
- Federal Center South, Seattle, WA (Consolidation)
- Taft & Hamilton Laboratories, Cincinnati, OH
- Wilshire Federal Building, Los Angeles, CA
Q&A

In-Person and via WebEx Q&A
Thank you

Questions, comments or recommendations?
Reach out to the PBRB at fastainfo@pbrb.gov
TRANSCRIPT OF AUDIO-RECORDED
PUBLIC MEETING OF THE
PUBLIC BUILDINGS REFORM BOARD
OCTOBER 28, 2021

Job No.: 409948
Pages: 1 - 57
Transcribed by: Christian Naaden
PROCEEDINGS

MS. COMBAL: We'll try that again. Okay. Good afternoon, everyone. We should be live. We are doing an in-person session, as well as live streaming this meeting. So thank you and welcome to the Public Buildings Reform Board public meeting. I'm Martine Combal, Senior Vice President at Jones Lang LaSalle.

And I will be helping to facilitate this in person and virtual meeting.

Before I hand the meeting to Adam Bodner -- Executive Director of the board, I have a few logistics that I would like to cover. We have closed captioning for this meeting here in the room, as well as live stream. We have a sign language interpreter that we are trying to bring in as a panelist at the moment.

The meeting is being recorded. And for those that are in the room, we do have a bridge that picks up sound. So we ask that everyone be very quiet as we speak and run this session.

For the Q&As we received questions in advance.

And we will start with those. And then we will go to
anyone in the in person audience. And then our

colleague, Mary Beth, who is online helping to

facilitate the WebEx session, will read the virtual

Q&A. The Q&As can be typed in a Q&A box on the lower

right hand side of your screen.

And with that, I am done with the logistics

and I will hand it to Adam Bodner. So here you go.

MR. BODNER: Thank you very much, Martine.

Good afternoon, everybody. My name is Adam Bodner. I'm

the Executive Director of the board. I'd like to

introduce our board, starting from my left, former

congressman Nick Rahall, Mary Phillips, David Winstead,

Talmage Hocker, and Angela Styles.

Also with us today is Flavio Perez, Assistant

commissioner from the General Services Administration's

Public Building Service. And lastly I'd like to

introduce and thank the rest of our team here, Paul

Waldon and Elizabeth Brown; detailees from the Commerce

Department and GSA, respectively, and Gail Fisher from

Aleto Consulting. I'd also like to thank Martine and

the rest of the JLL team for their support.

As you can see from the agenda, we're going to

provide an overview of our board and our enabling
legislation, the Federal Asset Sale and Transfer Act of 2016. Then Flavio will provide an update on the status of the sales of the High Value Asset Round. Then we'll talk about our first round activities, our strategy for the second round, and finally we'll have a Q&A session, as Martine mentioned.

So without further ado, I'm going to turn it over to David to take us through the initial steps.

MR. WINSTEAD: Thanks, Adam. Adam mentioned FASTA is the Federal Asset Sales and Transfer Act. And we are an independent federal agency. And we were appointed by the house and senate majority and minority leaders.

And the focus, and I know all of you all are very interested, is really to focus on expediting the sale of underutilized and unneeded federal real estate to reduce the cost to the federal government and federal taxpayer, and to maximize return from the value of those assets to the federal government.

We are serving between now and May of 2025. So we still have some wonderful four years together. We've had a lot of fun so far, haven't we?

ALL: Yes.
MR. WINTEADE: And anyway, FASTA was designed -

- and a point of order is really FASTA is to

incentivize agencies to identify and suggest properties

for disposal, providing a much more hastened time

schedule for disposal, and the fact that the proceeds

at the end of the sales price process come back to a

fund that can be used for three additional rounds, the

high value round being the first one.

Congress created a revolving fund type process

where the proceeds from the sale in round one are

intended to finance the planning and relocation

activities to prepare properties for disposal in the

subsequent round. So we're sort of self-funded in that

regard.

And also all of us are in the private sector.

I happen to -- some of us, obviously the congressman,
had public sector service. But we all are in the
private sector. And we're very eager to bring private
sector perspectives to this process.

Does a particular property actually serve some

of the questions we've been asking in our approach,

together with support from consultants? Does a

particular property actually serve the mission of the
agency that it's housed? Are there other administrative goals or objectives at the same time? What kind of capital funds are needed to maintain that property? And can we leverage that property value and the underutilized character of that property to bring back money to the federal government to do a better job in addressing their current real estate needs.

We really have a broad license to consider properties and development tools other than those traditionally commissioned or considered. We have the authority to lease back property that we sell for up to three years. And when you think about Covid and the impact of figuring out tenancy now post-Covid, that kind of latitude can in fact aid us in negotiating a highest and best use by being able to save remaining federal employees in those properties. They can stay in place for three years while the agency decides with GSA where they should locate -- relocate.

As I mentioned, we were authorized to have three separate rounds. The high valued round, which Flavio will discuss next, was expected to basically bring about a half a billion dollars in value. The first round, which we are now considering and most of the day
considering, will be reported out on December 27th of this year.

And then the second round, which will, in fact have many, many more properties than both the high value and the first round of assets, just because of the length of time, the amount of properties we've been reviewing. Overall we're hoping that by that last round to report out in December 2024, it could generate a total of 4.5 billion dollars.

So I would mention, I'm sure some of my colleagues on the board who are not shy, that we did have a report that recommended how we felt the high value assets should be presented to the market. And in that regard we also recommended that we leverage the private sector expertise in the brokerage functions who are in the market, and know where interests are, and know where major institutional owners are. But we also presented an option that those assets could be sold individually as well.

Part of this, and Talmage can comment and others, was the state of the market back at a year ago, with obviously Covid impacts really putting a damper on the real estate market. I will tell you that from a
conference last week and a ULI program this week, the
market's back to a large extent. Tenancy is not, but
the market's back.

So we do hope, and we will as a board be
monitoring the results of the sales process of the high
value assets, to make sure that the way we approach and
the way GSA is approaching in their duties, really
maximizes return.

The first and second round differ slightly
from high value. A public benefit conveyance cannot be
considered. So a lot of these assets will in fact hit
the marketplace. There is a McKinney Vento provision
and I'm very -- I think we're all very encouraged by
that. We realize the problems with homeless around the
country, and feel that where a property has suitability
and where there's a developer of homeless housing that
has competency and a financial plan to support

provisional housing or healthcare for the homeless, we
would love to -- as a board we would love to see that
happen as well.

So that's an introduction. And I'll turn it
over to Flavio to talk about sort of the state of the
first recommendations which we sent to GSA in December
2019 on the high valued assets.

MR. PEREZ: Great. Thank you, David and team.

It's been a pleasure working with you all and on executing these projects. So let me talk a little bit about where we're at on these projects. You'll see here a map of the 12 projects. As you can see, multiple markets throughout the country, there isn't really an aggregation of assets here. You could say on the west coast there are more assets in high value markets there.

One of these properties, the NARA Seattle property, was rescinded by OMB. So that is shown on the top left. But that project is not going forward.

So let me jump into the status of the sales.

If you go to the next slide, we have awarded three sales so far. I'm excited to announce that both the Edison property and the WestEd property came in at with very robust bidding on these properties. And we're excited of the results we're able to deliver here.

The Idaho Falls parking lot, there were two properties here. There was a small parking lot that we did award and one other building, a data center used
for DOE, that we're anticipating another offer coming up in the next couple months.

And moving on to active sales, we've got two very active projects. And by that I mean we're seeing robust bidding on the Nike Gaithersburg site. This site -- if you go on the realestatesales.gov, you can actually look at the bidding here. And these properties are rolling over on a daily basis. When we think we've reached out max and we're about to close on these properties, another day is added.

So we're in a good spot. The numbers are actually a little bit higher than you see here on the screen, just from bidding yesterday and this morning.

So the Sacramento property is at $11.2 million. This is -- and the Nike Gaithersburg property is at $9.75 currently. But that could have changed because I know Sacramento is coming up on a deadline, I believe an hour from now. So if anybody's out there, go on this site or check your phone and correct me. I'd love to be corrected on this one.

The other properties that are active, we have the Ronald Reagan Federal Building in Harrisburg, which is an interesting property. The property is 11 floors
and 246,000 square feet in a downtown location. Please, I encourage you to go onto the website to take a look at the property. There are great pictures and great information for the bidding public on this property. And it is a property that, as David mentioned, with Covid there are limitations in terms of getting that property to the market. So we're doing the best we can, working with the communities, and working with folks, to make sure folks understand and that it is transparent a process as possible. But it is an attractive offering. If you look at the building, it's in a good location, in good shape. So we're hoping to move that one forward, working with what's the process for tax abatement. It's in an opportunity zone. I think there are good highlights here that we can really use or that I encourage folks to read about in order to bid on this property. Next we have the Auburn Complex. And I'll talk a little bit more about this in the coming slide. And finally the Idaho Falls property that I mentioned will be another offering.

Upcoming sales, these are sales that we haven't started yet. We're still finalizing our
diligence package. And we anticipate bringing these properties to market in the beginning of next year. These properties include, and I'll talk about them in - in the next slide as well, Menlo Park, there's a Pacific Grove property, and a Denver property, an old VA medical center in Denver, as well as the Chet Holifield building in Laguna Niguel.

Move to the next slide, please. What I wanted to do is spend a little bit more time on a couple properties here. And I'll be happy to address any questions in the Q&A portion of our program. The Auburn Complex, this property is located between Seattle and Tacoma. And I think it's a great opportunity with 129 acres on that site. It's on a commercial strip with industrial opportunities as well. So I think it's a good blend of both. You do have warehouses on the back of the site. It used to be an SSA as well as a GSA office building located on that site. Those tenants are currently moving out. So we're excited to bring that property to market.

Menlo Park in the core of Silicon Valley, we know there aren't too many land opportunities in this
part of the world, so we're very excited about this
opportunity. The US Geological Survey is moving to
Moffett Federal Airfield. And they are currently in the
process -- they have already vacated portions of the
property and they're finalizing their move. So we're
excited about that opportunity as well. I know we've
received a robust interest in that property. And I
think it'll be an interesting auction to watch.

The Chet Holifield building -- let's move on -
you beat me to the next slide. Thank you. The Chet
Holifield building. This building is a pretty massive
site. You look at this site, there are over 92 acres in

a part of town with a historic building and a
significant amount of underdeveloped or not developed
parking surrounding it.

So what we're doing in the due diligence
process now is engaging with the community, engaging
with local developers, to really help understand what
the community wants on this side. Going through a
charette process, I encourage you all if you have
interest on this property, to go to the link that's
provided here that I know will be provided with the
notes -- to look at signing up for a charette.
We have three more sessions -- three or four more sessions left, where we're talking about what are potential -- the opportunities and development schemes here, really looking at what the community wants as part of the 106 historic preservation process as well. After we conclude that process, we're looking to finalizing our 106 process and bringing this property to market. But I think it's important for us to work with the local community and developers before we go forward with that sale. That's why that sale hasn't commenced yet.

And finally the Denver property. We're also finalizing our due diligence here, a couple outstanding issues that we're closing up in the coming months. Again, a great market in Denver, it's an old VA hospital, that we're looking forward to bring to market, eight acres and about -- a little bit over 500,000 square feet. So that's the quick update. Feel free to reach out to myself or my staff. We'd be happy to talk to you about any of these opportunities. Thanks. And let me turn it over to Mary.

MS. PHILLIPS: Thanks, Flavio. So I'm going
to talk just briefly about the process that we followed to develop our recommendations for the first round. And meaning this round. And at a very high level, they're similar to what we did in the high value asset round in terms of working through the federal real property profile and trying to identify good opportunities for sale.

And then also working closely with federal agencies to get the agencies' recommendations. So we're really trying to encourage -- encourage them to work with us, because we have some incentives we can provide.

But in -- for this round, the analytical analysis has been much more robust. And in part, a lot of effort was spent on this to address the GAO recommendation that the board fully document the process used to evaluate and recommend candidates. And so a very detailed property screening tool was developed, and a lot of work was done to scrub the FRPP, and to identify candidates.

Then those candidates were scored against -- and graded against a whole variety of criteria, four different categories including financial efficiency,
implementation, and community. And within those even more detail. And then each of those received an overall score so that we could see how properties fared against each other, and which were the top candidates. And finally there was a detailed financial model developed to value the properties and to estimate what the net benefit to the taxpayer would be.

So just to highlight now a few of the challenges and opportunities. The timing of appropriations to the asset proceeds fund is a constraint on the first round. So the proceeds from the sales go into a separate fund called the Asset Proceeds Fund, that is intended to fund projects for the next rounds. Because as projects are ready for sale, they often need investment, employees have to be relocated. And so you need some funds to use in order to make future sales and consolidations possible.

So not -- I think we've been appropriated 46 million dollars, some of which is being used for the high value asset properties. And the funding that will be coming into the asset's fund now from the high value assets has not been appropriated yet. The funds are subject to appropriation.
And because a couple of our largest value properties from the high value asset rounds have not been put on the market yet, we -- there will be delaying getting those proceeds. A couple of other things, and David mentioned this, is that Covid really brought a lot activity to a halt because agencies stopped their strategic planning, the whole world changed with Covid. And that really prevented us from getting as many recommendations as we think we otherwise would have.

There also is an agency institutional preference toward ownership of property. And as we come out of Covid, and agencies are now taking a look at what their footprint is going to need to be, part of the focus seems to be looking at how agencies consolidate into more owned property and give up expensive lease property. So we see a lot of opportunities there in the next round to work with the agencies as they make these decisions. But it was a bit of an impediment in this round. There are also many properties that have complex issues. A lot of federal buildings are historic. There are often environmental contamination
issues or title and deed issues. Investment are needed.
As I mentioned before, properties can be sold. And OMB
would like to have those issues as much as possible be
handled before we make the recommendation, because it
will lower the risk that there will be problems going
forward.
So while this round is more modest because of

our limited funding available, we are very encouraged
about round two. And we have already identified a
number of properties and teed them up for consideration
so that we can start moving on those very quickly. For
now I'm going to hand it over to Congressman
Rahall.

MR. RAHALL: Thank, you, Mary. As you can see
from the map, our first round preliminary property
list, unlike the HVA list, is spread across the
country. Our first round consists of 15 properties.
They are -- the majority are GSA owned, as you can also
see from the chart. But there are three other agencies
that are represented in this first round as well, USDA,
Department of Labor, and NASA.
As would be expected, especially given the
criteria in use and the challenges that we identified,
vacant land and underutilized buildings make up the predominance of properties on our first round list. Additional properties of course are under review, final review with the agencies. The final property list may change prior to our OMB submittal. But we are very much excited about this first round, even though it may be rather modest compared to future rounds. Now I'll turn it over to Adam.

MR. BODNER: Thank you, sir. Just going to run through this slide on the timeline. So this timeline represents the -- as described in the legislation, the various points of OMB approval and subsequent activities. Just for clarity, we're in the big red box on the left right now.

Highlights in the timeline would be the OMB approval or disapproval in whole or in part within 30 days of December 27th, and OMB's notification to the Department of Housing and Urban Development, and congress upon approval of the recommendations. Those will be the four light gray boxes on the top. And now I'm going to ask Talmage and Angela to take us through our second round strategies and opportunities.
MS. STYLES: Okay. So Talmage is the closer here. I think I want to reiterate that we're very optimistic about round two. I think we had a lot of lessons learned, a lot of really interesting timing struggles, Covid struggles, financing struggles, through round one, that we really weren't quite anticipating. But we are very optimistic about round two. We've learned a lot. We've actually learned a lot about the outreach. So it was very interesting. We had some pretty public issues with NARA. And we learned how important the outreach is as a result of that. But we also learned how much we can -- how much we can enhance the value of a property by having discussions with localities, having discussions with developers, having discussions with you know, people that are already interested in the building in the city. And we've already started those for some of what we're going to have as round two buildings. We really think that with the time that we have left, we have an incredible ability to enhance the value of the property. Whether that's starting the historical discussions. Whether that's talking to
developers, and having them in, and having them explain
to us what they can do with a particular property, what
would their ideas be around a particular property?
How can we enhance the value? Is there
different structure to explore financing opportunities?
Can we have building swaps? I mean spending time with
people in these cities where the buildings are, I was
down in San Antonio for meetings with the city, and you
know, it's incredible what the local GSA has done down
there in terms of swapping buildings, right.
They're like, oh, we want this building here,
the city wants it. And the federal government wants
another building. And so really working together with
the communities to understand what the property -- what
its best use is.
So when we talk about value, it's not just
enhancing the financial value, it's really enhancing
the value to the local communities. And we only do that
through outreach. And that's something that we have now
the time to do. We've learned how to do it.
And our focus of round two, you'll see some of
the properties. We can talk about some of those
specific properties. We're going to be very open about
what we're looking at. So that we can push those
discussions forward, we can enhance the value, we can
fully understand what the historical options might be,

what the environmental problems might be. So that we
can come out with really the right outcome for
everybody here, which I think is a very different
approach.

Now Talmage can talk about it from kind of the
developer perspective too and why that helps, you know,
from a developer perspective, it enhances the taxes
that are being paid to the city as well. Talmage, I'll
turn it over to you.

MR. HOCKER: Sure. Thanks, Angela. I think
what Angela was referring to is if we -- I told her I
was going to say that -- if a developer gets involved
with a piece of property that has not been entitled, if
it has not been studied, if it -- if the property has
not been -- if we don't understand what the FAR is, if
we don't know how much space we can build.

And that really lim- -- and we don't know how
it can be zoned. Okay? That's going to really limit the
value going into a property. And we believe that as we
go into the round two, that we're going to spend a lot
of up front time with design groups, with the city,
understand what their zoning needs are, understand what
their desires are for the community, so that we can
better deliver on both the government's property and
for the city. So we're very excited about that option
as we move into the second round.
Also in the second round -- let me change
slide -- we have some potential second round examples,
Nebraska Avenue in DC, the Webster School, Montlake Lab
in Seattle, Federal City -- Center South in Seattle,
the Taft Labs in Cincinnati, and Wilshire out in Los
Angeles. And each of these are a little bit different.
And we believe that we cannot be slotted into one
particular mindset as we move forward.
For example, the Webster School, it's been
sitting around on the books for years, slowly falling
apart. Part of it's been condemned. Part of it's not --
you know, there's agencies that don't want anything to
happen there, there's other groups that would like to
see something built. So we're going to tackle the --
the hard part. We're going to try to figure it out and
make everybody happy. Another one could be Cincinnati,
where we have the Taft Labs. It's going to entail a
relocation and a construction project. So you know, the

two are going to have to dovetail.

The big one I think that we have is the FBI site out in Los Angeles, where the -- the real estate is extremely valuable. It is a very high traffic location. Traffic count on the front and on the side are enormous. It does not fit all the needs of the FBI now with the campus setting that they desire and with the security that they desire. So we believe that we can raise a bunch of money, go build a new building, have GSA build a new building for the FBI, and use the proceeds from the sale to fund it.

Then at Federal Center South, we believe out in Seattle that there's a tremendous opportunity to consolidate agencies. And so if you look at the legislation, it talks about consolidation, it talks about the high value, it talks about working with the community, potential trades, or outright sales. And we believe that what we're working on takes care of all of those opportunities for us. Thank you.

MR. BODNER: Okay. Thank you, everybody. That concludes the scripted portion of the meeting. We're ready to take questions. We have some that have come in
1 upon registration and others are being submitted. So
2 we'll start with some of the ones we received earliest.
3 I also want to mention that we have -- we have
4 an email address which is fastainfo@pbrb.gov. We'd love
5 to hear from you that way. And we also have a website
6 which is www.pbrb.gov. And we would love any feedback
7 and outreach.
8 I'm going to start with early questions that
9 have come in. Well one I think we -- I think we
10 addressed was preview upcoming work. And so we -- we
11 talked about that just now. Second round data requests,
12 we are -- that was a request, what are the board's
13 focus areas for data collection in the next and future
14 rounds of FASTA.
15 As we mentioned, we did an extensive analysis
16 of the federal database. So the data we're looking for
17 now is more from agencies themselves as part of the
18 annual data call that FASTA requires. So we are making
19 a pitch to agencies to submit more properties or other
20 interesting ideas they may have.
21 Another question that came in was about
22 covenants and deed restrictions in a particular agency,
if they're more frequent or -- or common in some agencies than others. And I'll take that one. And the answer is, yes, that we did find that some agencies do have -- from the way that they got property, received property originally, tend to have more deed restrictions and covenants on the use of the property than other agencies. There's unique legal characteristics that are common across -- across federal agencies and especially many agencies receive property from former military bases. Community involvement question, are there strategies to avoid community objections in the midst of the sale process. David, you want to take that one? Or --

MR. WINSTEAD: Sure. Could you repeat the question again?

MR. BODNER: Yeah. Are there strategies to avoid community objections in the midst of the sale process? I -- I do -- you know, the surplus process that -- of the federal agencies that declare these
assets goes into the federal property file and then
go to GSA. So GSA is -- really knows a lot of the
local community input. And we have made special effort
presale to go to every constituency imaginable, whether
it's the county council member, whether it's the
congressional representative, whether it's the local
community group, or civic, or ANC group that's
involved.
So we tried very hard, the board, for the
major assets. One member of the board went to all of
the major assets, took time to do that. So I feel
fairly confident that we've vetted out most of the
major issues. Otherwise we wouldn't be reporting them
out in round one or subsequently in round two.
So you know, candidly, Angela mentioned, you
know, one of the issues that came up on a west coast
property, and candidly wasn't so much the board as the
vetting of the concern from a constituent of a federal
agency, really on the service level, something that we
would not have been aware of. But for everything that's
happened since, we -- I think our due diligence has
been very complete.
And I credit GSA disposal group, the regional
difficulties that go along with managing these
properties, and know the community around them, and know their elected
officials, as well as the board staff and members that
have been involved in the process.

MR. BODNER: Next question that came in was
about the potential continuation of FASTA. How far into
the pilot program are you? Do you foresee an extension
based upon current success?

MS. PHILLIPS: Well as we've been talking
about, our first round is due in December. And then the
second round recommendations are due at the end of
2024. And actually the way the statute is written, we
can't submit any round two recommendations until that
time.

I don't know that we -- this was set up as a
six year pilot program. I don't think we're in a
position to opine about whether Congress will want to
extend the board or not. But we want to make it as
successful as we possibly can.

MR. BODNER: Thank you, Mary. Another question
was, I think we answered, will a list be published with
the latest round of -- of properties subject for
disposal. And we just did that. And so that -- and then
the overall report will be released at the end of
December once it's submitted to OMB.

Another question that came in, improvements to
FASTA, what realistic steps would improve PBRB's
ability to identify the best candidates for disposal
and sale? Can I ask Talmage to take that one?

MR. HOCKER: Would you repeat the question,
please?

MR. BODNER: What realistic steps would
improve PBRB's ability to identify the best candidates
for disposal and sale?

MR. HOCKER: Well I know that we've had a
difficult time working with the agencies to get them to
submit the properties to us. And part of that has been
because government -- government likes to keep their
real estate. They don't like to get rid of it. That's a
-- that's a frank answer.

But we do have the authority to negotiate with
the agencies. We do have the ability to compensate the
agencies and to share in the proceeds. And I believe
moving forward that you will see us being more
proactive in that manner.

MR. BODNER: Thank you, sir. One more question
that came in on the future of work. How has the
pandemic and the future of work in the federal
government, i.e., remote work, changed PBRB's mission?
Congressman?

MR. RAHALL: It has -- has been noted many
times during this hearing, Covid-19 had a substantial
impact on our mission. The shut down occurred in March
2020, just as we were transitioning from the HVA
implementation to the first round strategy. And several
agencies told us that they could not submit to us their
plans where they had to -- they could not commit to us
any plans for their future. They had to rework their
strategic planning due to Covid. They had to do new
models, etc.

And so this made it difficult for us. And it
was really a setback. Some of the properties in the
second round have been delayed due to the pandemic
related impacts on related activities that have been
planned by the agencies such as procurement delays,
increased construction costs, and new strategic
reviews. We are expected to see some first round
recommendations resulting from Covid-19 impact on
workspace needs.

However, the timing was not quite right for
our first round. Many agencies are in the process of
reviewing their space needs and were not prepared to
recommend reductions. So we expect to contribute to and
to facilitate these strategic conversations where
possible in the second round.

MR. BODNER: Thank you, sir. I'd like to ask
the in person audience if there are any questions. And
I can bring the microphone over.

MS. PERRY: Good afternoon. Beverly Perry,
senior advisor to Mayor Muriel Bowser. It appears that
all the properties that you have identified are GSA
except one agricultural property. And I'm just curious
about -- I didn't see any Department of Interior
National Park Service properties listed. Are they off
limits?

MS. PHILLIPS: No. They just didn't provide
any -- very many, if any, FASTA eligible properties. So
that is one of the problems, is that the agencies got
to decide what was eligible for FASTA and what was not
eligible for FASTA. And some agencies like Interior probably over -- over protected, I'll put it that way.

MS. PERRY: Yeah. I thought that's what Commissioner Hocker was saying.

MS. PHILLIPS: I will just add, there are statutory exemptions for certain properties. So parks, for example, are not part of FASTA, defense properties are not under FASTA.

MS. PHILLIPS: There are a lot -- and so property for, quote unquote, conservation purposes, is also excluded. And -- and certain agricultural purposes are excluded. So the Department of Agriculture and the Department of Interior in particular I think have tried to save almost all their properties [inaudible]

Mr. RAHALL: The White House is exempt.

MS. PERRY: The White House is being used, so well-used. One other question. So the agencies, the community, the statute allows for the community or the states to initiate properties -- to identify properties for the list. Is there any process where the state can challenge the agency?

For example, you know, there are properties -- and I guess there's no secret about properties I have
in mind, RFK, and the Carter Barron, properties that are not used at all. They're just stagnant there.

Underused is probably not even a good -- they're not used. So is there anything in your process that you structured that can allow for some kind of -- for the state to challenge the agency on their lack of identification or properties that are underused?

MS. PHILLIPS: Well you know, I can speak for myself [inaudible]

MS. PERRY: Just one other question --

MS. STYLES: I -- I, you know, I think we're constrained in our recommendations. So you know, our recommendations [inaudible] the Office of Management and Budget at the White House. We also have to run our -- OMB has asked to run our recommendations through GSA. And so we get a lot of pushback.

So we would welcome -- I mean we welcome your recommendations. And we welcome a process where, you know, we can collectively push harder on some of these issues. It's just that there's only so much we can do, right? And so we -- we are not -- we're not the blocker. I'll just put it that way [inaudible]

I don't think we're the ones that's blocking
creative and good ideas. But we have to kind of work in
the world that we're given. So you know, and I think we
-- I wasn't here that day, I was out of town
[inaudible] you guys were talking to us. And you know,
I think we can work together on some of these issues.
You know, it's just -- it's just a question of how far
out we can -- we can push.
MS. PERRY: Okay. And last question --
MS. STYLES: But other people may have
[inaudible]
[talking over each other]
MS. STYLES: [inaudible] a lot about
[inaudible] and trying to figure out what we can do.
[talking over each other]
MS. STYLES: These are big -- these are big
issues.

MALE: RFK's a huge issue.
MS. PERRY: Yes. It is a huge issue. It's
probably the largest tract of unused land in the city.
The -- the Webster School and the Nebraska Avenue
property, which we were planning to add to our list. I
see you have it. It's in the second round. That will
not be submitted until '24?
MALE: No. 2024, December

[talking over each other]

MS. PERRY: So three years out before they're even submitted.

MS. PHILLIPS: We've been trying to -- we -- we actually would like [inaudible]

MALE: Yeah. We would love -- we have a whole list, as you would expect us to, of requested changes that we would love to see, okay? One of those, Mary emphatically said we have got to get a rolling submission approved.

So example, let's say we start working on Webster now and we're ready. We don't want to wait three years. You know, we want to do it now. And so that is one of the requested changes that we would absolutely have of congress if given that ability.

MS. PERRY: Thank you.

MR. BODNER: Thank you very much. Now I want to ask Mary Beth for questions that have come in from the WebEx.

MARY BETH: Yes. We have a couple questions.

First, what is the board's expectation for the next round of FASTA recommendations?
MR. BODNER: Mary Beth?

MARY BETH? Can you hear me? What is the board's expectation for the next round of FASTA recommendations?

MS. COMBAL: I'll translate for Mary Beth. So we have one question that came in online. What is the board's expectation for the next round of FASTA recommendations? Will there be a December 2021 call for agency recommendations? And when will it be due?

MR. BODNER: I'll start with the second answer there. The -- the agency recommendations are due annually 120 days from the start of each fiscal year. So -- so agency recommendations are due to GSA and OMB at the end of December -- or sorry, the end of January.

And that -- that is an annual activity.

So the board's expectations are that there may -- that there will be some properties that come in from agencies, and further that there's a lot that, as was said, that we did a lot of evaluation on. But due to complexity and other factors, we had to push to the second round. And so there's plenty to work on going forward.

MS. COMBAL: We -- we have a couple more
10 questions here. And we're -- we're managing through
11 WebEx, so thank you all. One question is, how does the
12 board fund its recommendations?
13 MR. BODNER: Mary, can I give that one to you?
14 MS. PHILLIPS: Sure. Well I'll tell you the
15 theory and then I'll tell you the reality. So the way
16 it was set up is each -- the proceeds from each round
17 were intended to be used to fund investments for the
18 subsequent rounds. So the first round was between $500
19 and $750 million dollars in value. And the proceeds were
20 intended to go into the first round which had a goal of
21 $2.5 billion dollars in property, sales consolidations,
22 etc. And the goal is even higher in the -- in the

39

1 second round.
2 In reality the pro- -- what happens is when we
3 get proceeds, they go into a special fund which is --
4 is very helpful. However, those funds are subject to
5 appropriation. And so there is a timing issue because
6 there will be a delay before, as you -- as you know,
7 with the appropriations process, that we don't tend to
8 do things in a timely manner.
9 So there will be a delay. And the amount of
10 proceeds we have right now is not very significant
because a number of the high value assets have not been sold yet, particularly the most valuable ones. So we're hoping that -- we're optimistic for round two because we know that by the time we're ready to start making recommendations in round two, there will be more proceeds and hopefully more appropriations. So we'll be able to start doing this reinvestment.

MS. COMBAL: Great. Our next question is, what are the remaining milestones necessary before activation of Menlo Park?

MR. BODNER: I'm going to give that one to our colleague, Flavio Perez.

[talking over each other]

MR. PEREZ: No, I appreciate the question. On Menlo Park, the remaining milestones were a couple things from a due diligence standpoint. As I mentioned, the tenant there is moving to Moffett, its construction of their lab space in Moffett.

Looking at a timeline, thankfully I know there was one major hurdle that was cleared about a month ago in the construction of the lab space in Moffett. So that is moving forward. So we're confident we'll be able to meet the timeline of FASTA and be able to make
that project work.

There are other minor issues working through.

There was an energy savings performance contract that we wanted to make sure we had that wrapped up and did our proper due diligence there before moving forward.

So we anticipate an offering on Menlo, all this said, in the next couple months. And we'll make sure to update the board and update all of our websites to reflect that.

But if you're interested, please feel free to give me a -- a call, send me an email. We have our project manager on this who is -- who has also a robust list of folks that are interested. And we'll make sure to reach out. Thanks.

MS. COMBAL: Okay. Flavio, before you sit down, actually, I'm going to ask you to come back up. One -- we've got a few more questions, one of which that just came in, why the GSA auction website? Is -- is there another? And just if you can provide further comment.

MR. PEREZ: Sure. The auction platform has proven to be very successful for us in maximizing value in these sales. And you'll see in the private real
estate world, you're seeing more and more folks utilizing this platform. I know I'm getting several different feeds of -- or emails a week advertising different properties for sale. For us, it's a low cost, transparent, competitive process. And it's -- and we see it consistently beat our fair market value valuations by utilizing this process. That said, that's not a given that we'll utilize this for every sale. So some of the properties that we haven't advertised yet, those marketing plans are still in the works.

Great. Thank you, Flavio. Okay. This -- we have another online question. And again, just for the audience online, feel free to type in your questions in the Q&A box. This next question is, what data gaps did the board find during its first round process?

I'll take that. The data gaps are -- they're all over the map, if you will, in the federal real property profile. There's lots of differences in the ways that agencies report data. It's not -- it was never intended necessarily to be an asset management tool. So there were differences in how
comparing installations to assets, for example. There's also a lat and longitude gaps, and how -- also on how different properties are described, different property types are described. So that's just a very small example. But a lot of work had to be done to sort of cleanse the data, and fill in the gaps, and make it useful for screening, and sorting, and valuing.

Let me go -- I think we have one question from the audience here. Would you like the microphone?

MR. HAUN: Hi, David Haun with Haun Consulting, and a former OMBer for 35 years. And I think, Mary, you did a good job of describing the limitations in FASTA when it comes to funding. The original intent of FASTA was that the proceeds would be available to finance the -- the future sales.

And yet we had that little problem of subject to appropriation, which actually gave the appropriators the opportunity to decide whether or not you're really going to implement FASTA or not. And while we have language pending in the -- in the president's budget that would appropriate those dollars going forward, we haven't seen any movement by the appropriators to include that language at least in the last couple of
So less a question and maybe more of a -- of a statement about the challenge that you all are -- are addressing here, how do you go forward without the resources, without the money to pay the agencies the cost to move? Without that, you have a hard time getting the agencies' attention, one.

And two, the GSA, you know, for the last 11 years, has not had access to the funds that they collect in the federal buildings fund to just maintain the inventory of properties that they have across the country. Over $11 billion dollars are sitting there in the federal buildings fund, and yet not available because they too are subject to appropriation.

So one of the things we have to think about is we can sit on our hands for the next two rounds and -- and -- and suffer this problem. Or we can think maybe more broadly what FASTA wants you to do. FASTA has a lot of goals in there. And -- and some of those goals frustrate me because they tend to be sort of contradictory, if you will.

On one hand we want to consolidate agencies into own space and reduce our reliance on leasing. And
at the same time, Congress is not giving GSA the money
to do that with their portfolio, nor is Congress giving
the board access to the monies that -- that were
intended from the proceeds.

So what -- what is the board to do, you know,
it's the catch 22, if you will. Well one of the things
that I would recommend the board think about going
forward is -- is since GSA cannot maintain its own
inventory with the monies that Congress is providing,
from a taxpayers' perspective GSA should get rid of
their inventory.

We shouldn't be trying to consolidate into an
inventory that we cannot maintain. And if we can't
maintain our buildings, we are wasting taxpayer
dollars, being pennywise and pound foolish, and
allowing our assets to -- to -- to diminish.

So what did Covid do? Well Covid has done a
transformation -- I believe, will have a
transformational impact on the leasing market, on the
private sector leasing market. That -- that -- that --
we're -- they're projecting potential vacancy rates in
Washington, DC, approaching 30 percent in the -- in the
office market.
What a time for the government to take advantage of this overbuilt inventory, and lease the space at below market rates for the next 20 years. While we -- and allow us to dispose of a lot of the assets, frankly, that we can't afford to keep. And -- and -- and move these agencies out of space that they're not happy with. The agencies don't know whether they're an owned space or leased space, frankly. They pay GSA the commercial equivalent of being an owned -- in -- in -- in leased space, whether it's owned or not. And most agencies are less worried about whether they're in an owned GSA building or a leased GSA building. They want to be in an up to date environment that supports their mission, and -- and takes care of their employees. And so I -- I would -- while I understand the goals in FASTA -- FASTA's got a lot of goals. But it's -- it's the board's responsibility to look at how things have changed since FASTA was enacted. The reality of the lack of funding to allow the GSAs and the agencies to move into owned space, and the opportunities that Covid may provide, with a huge opportunity to lease lots of commercial space at very
low cost, and save the taxpayers a hell of a lot of
money in the next 20 years.

And so I encourage the board, as a taxpayer,
to think beyond the word of the law, but -- but within
the -- the intent of the law, to really look at some
great opportunities. Agencies can be convinced to move
to leased space. They're -- they're not going to fight
you. GSA will. But then GSA doesn't have the money to
maintain their own inventory. So they're talking out of
both sides of their mouth.
Ownership's cheaper than leasing. Not unless
you can maintain it. Not unless you can maintain it. So
I encourage the board to think broadly, to think
beyond, to not rely on the agencies to come to you
because they want to move. But no agency wants to move.
Talmage, your point was right on -- right on -- right
on -- right on point. Any landholding agency wants to
hold on to their land. Why? Because it's theirs. Not
because it's in the best interest of the agency or the
taxpayer.
So with that, I'll shut up and hand it back --
the mic back to Adam.

MR. BODNER: David, I think we have a seat for
you on the board. There was a question in there though

at the beginning that I do want to address, and that

the HVA sales are coming in and there is a pot of

money. So there is some incentive now for agencies to -

- to work with us, we believe, to go after that few

hundred million dollars that we expect to be in there.

MR. HAUN: [inaudible]

MR. BODNER: True. But it's a good start

though, start to have some money to work towards. Any

more questions? Okay. It sounds like we have no more

questions. So I'm going to say, going once, going twice

--

MR. HOCKER: Let's talk about how we're going

do these properties on a going forward [inaudible]

MR. BODNER: Okay. We're going to go into a

little impromptu session here. I'm going to give

Talmage the microphone.

MR. HOCKER: We don't need a microphone. I

really believe, and David or anybody chime in, Flavio,

that once we identify a property we buy, I think that's

the very time for us to be, you know, one [inaudible]

with a design development group. I don't mean to do

massive things. Just a study on day one what the
maximum amount of developable property we really do have.

And that's when we go and we sit together with

the community, with the -- with the mayor's office,

with the planning and zoning. And I really think if we do this, you know, within immediately, first 30 days, I think we get in and get out.

We either -- it's either a project we want to pursue or we cut and run, we go find another one, instead of going through a process of identifying a property, waiting around, putting it on a list, sending it to the GSA, all the other groups, only to let them sit on it and send it back to you nine months after you look at it. Somebody says, nah, let's not do that, they decided they're not interested.

I want to know day one, when I -- when I set foot on a piece of property, I want to know day one, is commerce interested in selling, is this something we can do. And if they say we have other plans -- I went to look at a piece of property that I thought the VA hospital was interested in selling. You know why I thought so? Because they told me they were.

When Nick Rahall and I got there, we found out
that all the property we were going to sell to be
developed is already being developed. They don't even
talk to us. So we -- we want that communication and
those understandings a little bit better up front. Is
that what you were looking for, Mary?

MS. PHILLIPS: Yeah. I'm also very curious
[inaudible] about your reaction to what David Haun
said. Because the cities could have a -- a lot of
influence I think on what's going to happen with
government office space, particularly when they can see
some private facilities are, you know, it's going to
affect tax revenue to the city.

[talking over each other]

MS. PERRY: I think he spoke a reality that we
all are processing what the outcome may be. But I will
tell you, our goal is to get people back downtown. The
mayor will tell you we are open for business. And we
need people back downtown. If the conventions have
reconvened and [inaudible] had their large convention a
couple weeks ago [inaudible].

And we need the federal government to come
back. We don't understand why they are not back, been
back. Well we couldn't leave, but [inaudible]. But we -
I mean that's -- congress is [inaudible]. We don't understand why they [inaudible].

David: Well one, just one quick comment. First of all, I think, you know, the board is very interested in working with the district, with the mayor and with your vision. I think there are assets that Angela and Talmage went through that are becoming the way that are very important for the district.

But I -- I just wanted to respond to David Haun. It really is -- and Congressman, this is back to you to an extent -- we're not -- it's not been the board lack of delivering reports on time. We were appointed three -- six months later we reported the high value assets. We're now reporting the round one.

The real issue, candidly, is a lack of appropriated support for GSA. I mean their problem is they're not getting access to the federal building fund. But the board does have through the sale of high valued assets, we are going to have money. And the Commissioner, Nina Albert, if she says these are the primary landmark federal buildings that are unique mission critical buildings, that does -- we do not have
the funds, can you aid us in that regard, we're going
to be there for her.

And you know, you know, the overall philosophy
about what needs to be federal, what needs to be
leased, is fundamentally the unique mission of that --
of that building, be in the FDA labs, be it obviously
DHS headquarters, be it courthouses and border
stations. When I was Commissioner, two -- three -- two
thirds to three quarters of the money was going to make
sure that our border stations were secure, and make
sure the federal office buildings were rebuilt to
provide the circulation system to keep the judges safe.

And so, David, you know, I think the focus at
GSA is really to that critical mission group of assets.

I think I support you with the idea that --

MR. HAUN: Get rid of the rest of them.

Mr. WINSTEAD: Exactly.

MR. WINSTEAD: [inaudible] purpose office
space. There's no -- there's nothing inherently
governmental about general purpose office space.

MR. HAUN: I totally agree with you. And let's --

MR. WINSTEAD: After inventory, it's general
1 purpose office space.

2 MR WINSTEAD: And let's make sure, I think the board

3 through -- we're going to go at the end of this month

4 to speak to the federal property council again, which

5 we haven't talked to in a year and a half. They're the

6 ones who are senior real property executives. We want

7 to make it -- we're going to make a very strong pitch

8 that we're a vehicle that can get revenues back to you

9 to meet your mission from a real estate standpoint.

10 If you don't understand that, if we don't get

11 reauthorized, you got between now and 2025 to cash in,

12 basically. And I hope -- I hope the message works.

13 MS. PERRY: I have a question. If by some kind

14 of miraculous consultation, is it possible to get

15 additions to your December submission? Because right

16 now what you have, you have [inaudible] what you have

17 with your December submission. There is nothing there

18 for the city. And we have all this federal land that is

19 lying dormant. Thank you.

20 Is there any possibility that if we were to

21 talk to White House, or if we talk to the Secretary of

22 the Interior and say, this is the process that we can
use to expedite to transfer these lands. For example,
the RFK lease, I mean there's 23 years left on the
lease. And there is no purpose that it can be used for
except a stadium. All of the other teams have new
stadiums. So are we going to let it sit for another 23
years with no activity, with just soccer grounds on the
campus?

We -- you know, our city is considering taking
down the building because it costs $2 million just to -
MALE: Maintain it?
MS. PERRY: To maintain it, with no use at
all. So if there -- if we meet with the secretary of
the interior, or if we talk to people at the White
House. I don't know who the appropriate person would be
to say -- I read that statute 10 times. The Department
of the Interior, the Park Service land, there is no
exemption for the Park Service land. But the land
that's in this city, there is no exemption on the
statute for RFK. There's no exemption on the statute
for the Carter Barron.

So but if Interior wants to say, oh, we're
going to rely -- I would like to see where that
exemption is that they are trying to rely upon.

MS STYLES: So there's nothing that prevents us from putting it on the list other than the fact that it's in a list and it's protected [inaudible] protected, right? So that, you know, if the White House comes to us and says put RFK on the list, I don't think we're going to say no.

MALE: But if when -- if we get rejected, if one property gets rejected, all of them are rejected.

There is no single -- isn't that correct?

[talking over each other]

MALE: Got it. Okay. Got it.

MS. PERRY: Well I think you all heard me before and you hear me now, I --

MALE: And Beverly --

MS. PERRY: We're still going to look for ways to make that list.

MALE: Yeah.

FEMALE: We are still talking about the smaller [inaudible]

[talking over each other]

MS. PERRY: I would urge anyone to go look at
Franklin Park, to see the difference in a city --

MR WINSTEAD: You put $25 million into that.

MS. PERRY: I mean and it's the beauty in the
center of the city. And the difference is the city is
operating it. It's under city management and not under
the National Park Service. Just take a look at Franklin
Park.


MS. PERRY: Walk through it.

MS. COMBAL: Great. Well thank you, everybody.

That concludes our public meeting session. We truly
appreciate all the interactive questions. And thank you
for the folks online.

I do want to note that although we lost the
closed captioning here in the room, it continued on the
WebEx. So we have it. The meeting has been recorded.

And we will be coordinating with PBRB to share some of
the information from the meeting today on -- on the
pbrb.gov website.

So thank you, everybody. All right. Thank you.

CERTIFICATE OF TRANSCRIBER
I, Chris Naaden, a transcriber, hereby declare
under penalty of perjury that to the best of my ability
from the audio recordings and supporting information;
and that I am neither counsel for, related to, nor
employed by any of the parties to this case and have no
interest, financial or otherwise, in its outcome, the
above 56 pages contain a full, true and correct
transcription of the tape-recording that I received
regarding the event listed on the caption on page 1.

I further declare that I have no interest in
the event of the action.

November 3, 2021
Chris Naaden

(409948, Public Buildings Reform Board public meeting,
10-28-21)