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PUBLIC HEARING

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PUBLIC BUILDINGS REFORM BOARD

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Boston, Massachusetts

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13 Massachusetts.

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1 A P P E A R A N C E S

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3 PAUL WALDEN - Executive Director of the PBRB

4 DAN MATHEWS - Commissioner

5 MIKE CAPUANO - Former Representative

6 NICK RAHALL - Former Representative

7 DAVID WINSTEAD - Former Commissioner

8 ADAM OLIVER - Alito

9 CATHERINE CARLOCK - Boston Globe

10 JULIA SPAGNOLA - Public

11 CARL CAMPBELL - Public

12 BRYAN MONTGOMERY - Public

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1 P R O C E E D I N G S

2 MR. WALDEN: Well, good morning,
3 everyone, and welcome to our 11th public hearing of
4 the Public Buildings Reform Board. We appreciate
5 your interest and time. I am Paul Walden and I'm
6 the executive director of the Public Buildings
7 Reform Board. And today we're going to talk a bit
8 about the history of the Board, what our mission is
9 going forward, and highlight the legislation that
10 created us, as well as talk about some of the very
11 preliminary analysis we've done of the federal
12 footprint in -- here in Boston and just mention
13 some other properties we are very -- we're looking
14 at, at a very high level in Eastern Massachusetts.

15 Just some administrative notes. We
16 do have a strict timeline, so I'm going to keep us
17 on point with the time, and we will have a Q and A
18 session at the end. So with that, I would like to
19 introduce our board. So, we have a board of
20 six White House-appointed board members, and it's a
21 bipartisan board, very diverse backgrounds. So
22 here with us today is, from left to right -- or

1 from your left to right, Dan Mathews, the former
2 General Service Administration Public Building
3 Service Commissioner; Congressman Mike Capuano
4 from the Seventh and Eighth District -- and you
5 were in the house for 20 years, I believe -- and
6 Congressman Nick Rahall from West Virginia, who was
7 a longstanding congressman of -- of 34 --

8 MR. RAHALL: Eight.

9 MR. WALDEN: -- 38 years. Thank you,
10 Congressman.

11 MR. RAHALL: Thanks.

12 MR. WALDEN: And David Winstead, another
13 former GSA Public Billing Service Commissioner, who
14 is not with us, the other two board members,
15 Talmage Hocker, who's a well-known real estate
16 developer from Louisville, Kentucky, and who is
17 also the acting chairman, and Jeffrey Gural, a
18 well-known developer from New York City. They
19 couldn't be with us this morning.

20 So I would like to just touch
21 briefly on what we've done in the past. So
22 Congress -- the legislation has us submit our

1 recommendations in a series of rounds. And
2 basically the round is submitted to the Office of
3 Management and Budget, and based on their approval
4 or -- or rejection, they then task GSA
5 with -- moving forward with the
6 disposal action. So to date, we have submitted
7 recommendations that would result in a total of
8 \$775 million in net proceeds from the sale. If you
9 go back through our six year history, that would be
10 the total value of those disposals.

11 Congress evidently was pleased by
12 our work. We were initially set to sunset in May
13 of this year. The Thomas Carper Water Resources
14 Development Act of 2024, which was just passed
15 earlier this year, extended us to December of
16 2026. And it also directed us to submit an
17 additional round by December of '26. And that
18 third and final round is what we are talking
19 about today. Just this past May, we submitted our
20 second round to OMB, which was approved very
21 quickly, I might add, encompassing 11 properties
22 and 7.1 million square feet. And the very

1 interesting statistic is if these disposals are
2 executed, it would result in a \$5.4 billion in cost
3 avoidance over a 30-year period. And again, those
4 have been approved by OMB and now GSA is tasked
5 with executing those proposals.

6 And as part of our due diligence --
7 and this is why we're having this hearing today --
8 as we move along through our analysis and identify
9 properties that are very likely disposal or
10 consolidation candidates, we engage the local
11 stakeholders, that is the local government, the
12 city and county government, the congressional
13 delegations, and any other stakeholders that we're
14 aware of. So we do try to be very transparent in
15 our proceedings. So with that introduction, I will
16 let Congressman Rahall discuss what we have done so
17 far. Mr. Rahall.

18 MR. RAHALL: Thank -- thank you. Hello.
19 Yeah.

20 MR. WALDEN: Yeah.

21 MR. RAHALL: Thank you, Paul.

22 Throughout our work on the PBRB, we've noticed the

1 same issues cropping up time and time again. The
2 lights are on, but nobody's home. The federal
3 inventory of office space is open for employees,
4 but few employees are returning to work. This
5 means that taxpayers are paying enormous, enormous
6 sums to provide for the few who do come to work in
7 a place in which they can call work and in which
8 they can work. The Board found a nearly 70 percent
9 decrease in occupancy in a study selected -- of
10 selected properties in the Washington DC area in
11 2023. American taxpayers are paying a premium
12 market rate rent for agencies to be housed in
13 spaces that are definitely not premium spaces. The
14 federal buildings that the PBRB toured are in poor
15 repair, are in need of extensive capital
16 investment, and cannot possibly be serving the best
17 interest of the agencies they house.

18 The capital liability of all the deferred
19 maintenance is enormous and it's unquantified.
20 Capital liabilities accrue to the taxpayer. This
21 means that although taxpayers are paying market
22 area -- market rates for space, the market rates

1 are not being spent to maintain and adequately
2 manage the spaces. The bottom line is that the
3 system is working against the American taxpayer.

4 The maintenance backlog translates
5 into unhealthy and sometimes unsafe work
6 environments for our federal employees. The Board
7 learned about antiquated air handling systems from
8 the 1940s still being pressed into service. We
9 found leaking roofs, unusable elevators, and
10 flooding basements. Congress cannot appropriate
11 its way out of this maintenance backlog. This
12 means that the inventory needs to be shrunk so tax
13 dollars can be invested in properties where
14 employees are actually coming to work. I'll now
15 turn it over to our board member, Dan
16 Mathews, who will highlight the elements of the
17 Board's work.

18 MR. MATHEWS: Thank you, Nick. If
19 someone could go to the next slide. I think
20 there's another slide here.

21 So the Public Building Reform Board, a
22 couple of things about it that might be helpful

1 for the audience. One, we're not part of
2 GSA, General Services Administration, or we're not
3 part of DOGE. We are an independent board created
4 by Congress because Congress saw the problem and
5 they were not confident that the system -- the
6 normal system actually put underutilized properties
7 into a disposal pipeline. So they wanted an
8 outside set of eyes to look at the federal
9 inventory and make sound financial assessments and
10 judgements about those properties, and then
11 recommend them to the highest level of the
12 government who could then decide in an up or down
13 way, whether or not to accept the recommendation.

14 So we are a body that recommends actions,
15 but we don't actually take the actions, because we
16 are -- we're special government employees. We're
17 not full-time government employees, so we don't
18 make inherently governmental decisions. But our
19 recommendations go to the director of the Office of
20 Management and Budget, which is part of the White
21 House. And if they say yes, then the law says,
22 these properties shall be disposed of, and they

1 waive a whole slew of the normal rules and
2 processes that govern properties disposals and make
3 it very difficult, actually, to get these
4 properties off the government's books.

5 So the reason I want
6 to say this is to give you a sense that we have a
7 very unique role. And once our recommendations are
8 approved, then the agency that has control over
9 those properties actually has to implement those
10 recommendations. And in practice, most of the
11 properties that we've been looking at that the
12 Congress asked us to look at are controlled by
13 General Services Administration, so they're
14 the entity, in most cases, that will actually be
15 running the disposals and relocating the tenants to
16 some other buildings based on our recommendations.

17 And there are two -- and Nick
18 touched on this, but there are really two key
19 criteria that we're screening federal properties.
20 One is occupancy and the other is capital
21 liabilities. If they have low occupancies and they
22 take a lot of money to bring back up to functional

1 class A space, it's on our radar screen and we're
2 looking to get out of it. The government does not
3 appropriate enough money to renovate all the
4 buildings that -- that the government owns. GSA,
5 their inventory, it averages over 50 years in age.
6 There's 180 million square feet of owned space.
7 And in most markets, like here in Boston, actual
8 federal employees that go into federal buildings
9 can maybe fill somewhere between a quarter and a
10 half of those buildings. But those buildings
11 require hundreds and hundreds of millions of
12 dollars of congressional appropriations to
13 renovate, which probably is never going to happen,
14 so that's why we're recommending many of those
15 properties for disposal.

16 At this point, I'll turn it over to
17 David Winstead to talk about some of
18 the benefits of disposal. I
19 will just make one little comment. In Washington
20 DC -- so that's the city that has by far the
21 highest concentration of federally owned property,
22 and it's mostly office space, so the federal

1 government's presence there very much moves the
2 market and that's not really the case in any other
3 market, but it does in DC. And the mayor of the
4 District of Columbia, a Democrat, asked for two
5 things, bring federal employees back to the office
6 and start selling federal buildings and put them
7 back into productive use.

8 MR. WINSTEAD: Great. Thanks, Dan, and
9 it's nice to be here. Thanks to everybody for
10 participating. It's also nice to see some of our
11 GSA colleagues up here in the -- it's region one,
12 right?

13 UNIDENTIFIED SPEAKER: Yep.

14 MR. WINSTEAD: Region one?

15 UNIDENTIFIED SPEAKER: For now.

16 MR. WINSTEAD: Good to see you. Just to
17 follow up on Dan's points about redevelopment
18 opportunities. I think the Board, although we are
19 not involved in the sale of the assets, we do have
20 a board that has had experience and is making
21 recommendations to GSA on how they should do it, or
22 at least our perspective on that. But the real

1 issue that I want to present is really the
2 opportunities that are achieved by the
3 redevelopment of federal buildings. And
4 obviously Boston's a very exciting
5 urban area with lots of wonderful buildings. But
6 we have seen that, really, the conversion of
7 federal property to private ownership can bring
8 obviously tax revenue, can bring jobs, can bring
9 mixed use redevelopment, and provide a catalyst for
10 development for the entire metropolitan area.

11 So there are many benefits to
12 repositioning these underutilized, older,
13 non-preserved federal properties and many of which
14 are over 50 years old. I think the average life of
15 -- or age of federal inventory, the 180 million
16 square feet Dan referred to, is 50 years or more,
17 so they're very old buildings, and major systems
18 repairs, complete fire systems are outdated,
19 handling of HVAC systems, plumbing and wiring need
20 to be redone. In some of the properties in the
21 Boston area, we've seen facades that are beginning
22 to fail. Mike will talk more detail about that.

1 Water intrusion. One case we've witnessed
2 electrical panels that have -- have shorted out.
3 So there's -- there's real issues in terms of the
4 maintenance of these buildings and coupled with --
5 we have two former members of Congress, but the
6 lack of funding for repair and maintenance of the
7 owned inventory, so that's our -- our real issue.

8 Fortunately, when I was commissioner, we
9 were getting pretty much -- the end of the Bush
10 administration, we were getting pretty much full
11 funding for both lease actions and maintain --
12 maintenance of the federal buildings, but that has
13 deteriorated over recent years. There are great
14 examples of what can be done. This one is the --
15 the Dulski Building in -- in Buffalo, New York. It
16 was constructed in 1981 -- 1971. The entire
17 structure was coated in asbestos fireproof
18 materials. And what we've seen is conversion into
19 a multi-use building that activated the downtown
20 area around it, created 522 new jobs, and saved
21 taxpayers millions in asbestos remediation costs.
22 Another example in my hometown of Baltimore -- I

1 think the next slide there. Yeah, here we go.

2 Is -- this is the U.S. Appraiser
3 Building in -- in Baltimore, Maryland. Obviously,
4 it was a major port and it was constructed in -- in
5 1936, but the developer preserved the historic
6 lobby, the -- the marble lobby, created 132 luxury
7 apartments. And the conversion has really, you
8 know, activated the sub-market in Baltimore.
9 Baltimore still unfortunately realizes a -- a lot
10 of vacancy. Trying to keep businesses in Baltimore
11 over the recent decades has been very, very
12 difficult, but it really is an example of what can
13 be done. The building generates now \$266,000 a
14 year in property tax for the City of Baltimore.
15 And there are many, many other examples of
16 divestment of properties from the federal inventory
17 that can act as a stimulant for urban areas to
18 attract people residentially back to downtown.

19 Dan mentioned in his closing comments
20 that DC, you know, has 40 percent of the federal
21 inventory in it. And yesterday, I was at a meeting
22 of -- sponsored by the DC Office of Planning that

1 brought together the leading architects, planners,
2 landscape planners to look at what to do with the
3 recommendation of the Board that is now moving
4 forward of disposing of the Forrestal Building,
5 which is the headquarters of the Department of
6 Energy. And I was -- it was fascinating to hear
7 the vision they have as a result of being able to
8 take down that building, develop -- provide four
9 parcels for redevelopment. Smithsonian is
10 interested in -- in one of them for a museum.

11 But what the focus yesterday was
12 how do you create a greenway -- a pedestrian
13 greenway to link the national mall and all the
14 Smithsonian visitors to the Waterfront and L'Enfant
15 Plaza? Yesterday, they were literally the entire
16 planning, development, and architectural community
17 was a charette on what those ideas could
18 result in, what kind of parks could be put there,
19 what kind of housing, affordable housing and other
20 uses. So I think we can cite DC, because of our
21 recommendations in March, as an example of what
22 could happen here in -- in Boston, and the --

1 really getting engaged and looking at how
2 properties that we're recommending for disposal can
3 be reconverted.

4 So real -- just in summarizing the
5 key benefits of what we're doing, what the Board's
6 doing, and obviously partnering with GSA.
7 Disposal removes underutilized and
8 unneeded office supply from the market and
9 increases demand for local lease market and
10 decreases vacancy in those urban office markets.
11 It puts new properties, obviously, on the local tax
12 rolls and allows for redevelopment of
13 underutilized federal properties to mixed use
14 residential and, candidly, affordable and, in some
15 cases, potentially housing for the unhoused. So
16 those are some of the benefits and I'll turn it
17 over to Mike now.

18 MR. CAPUANO: My presumption is that
19 everybody here has a pretty good understanding of
20 why you're here. I assume it's not for the
21 croissants, so I'm not going to, kind of, tell you
22 stuff you already know. But I will tell you -- I

1 I think it's important to know what
2 we are not. We are not DOGE. We existed before
3 DOGE. I guess
4 we've already lived past them. I can't quite tell
5 where they are this week. We we do not
6 have the same mission. Our mission is very simple,
7 efficiency. It has nothing to do with policy per
8 se. It has nothing to do with number of people.
9 It has nothing to do with what gets done in a
10 building. It's simply -- honestly, I was talking
11 with Emmanuel Bentley yesterday, it was
12 very much like when I was mayor. There is no
13 government entity in the world, no matter liberal,
14 conservative, Democrat, Republican, that should be
15 in favor of inefficiency.

16 I'm a liberal Democrat by definition of
17 the term. I don't see any reason to have empty
18 buildings or underutilized buildings anywhere. I'm
19 also a taxpayer. I want my tax
20 dollars to be used efficiently. So when you find
21 buildings that, for any reason, are underutilized
22 and/or under maintained or just too old or whatever

1 it is, it's incumbent to take a look at them. Not
2 every one of them should be disposed, but some
3 should. Some should be consolidated. Things
4 change. The workforce has changed.

5 Honestly, five years ago, no one
6 would've thought that there'd be so many people
7 working remotely all across the country. You know,
8 things change, so we are trying to respond to that.
9 We are here today to talk about the Boston
10 stuff in particular, but we're going around the
11 country trying to identify locations that would be
12 more friendly to the taxpayers to do something else
13 with, kind of simple. It's really not that
14 complicated. And again, it is not a policy issue.
15 We are not here to suggest anybody
16 lose a job or that a job be moved from point A to
17 point B.

18 And I guess, you know, the
19 only -- the best experience I had was the Volpe
20 Building right here in Cambridge. For years, I had
21 to fight them -- certain people, many people in
22 Washington, wanting to just close the Volpe

1 Building and send 600 jobs someplace else in the
2 country, which would've meant most of those people
3 would've lost their jobs because most of them
4 wouldn't have transferred to wherever they were
5 going to go. And we had to fight it every couple
6 of years.

7 The building was old. Anybody who
8 ever stepped foot in the Volpe Building, I
9 assume, you knew it was built to be a NASA
10 headquarters. That's why it was built. It was
11 never used for that, and it was never used for the
12 purposes it was built. It was always, kind of, a
13 catchall type of building and it had been
14 dilapidated. It was run down. It wasn't conducive
15 to what we needed, what was being done in the
16 building, some great scientific work. And it was
17 good to dispose of it. At the same time, not a
18 single one of those jobs was lost. Those jobs are
19 still here, but they're
20 working in space that is conducive to the work that
21 they're doing.

22 That's the other thing. I -- again,

1 we're in a nice building here. I have
2 no idea how long any of you have been here.
3 I've been here long enough, my whole life. There
4 were times when you wouldn't come to Post Office
5 Square. How many of you remember the garage
6 that was across the street? Actually remember?
7 Well, it was a handful. Most of you have no clue
8 what was here before, but that was a public garage
9 that got -- the help was getting rid of that
10 garage, making this neighborhood a little bit more
11 attractive to business improvement. And it's not
12 just this neighborhood, it's all across -- Faneuil
13 Hall. How many of you remember Faneuil Hall before
14 it was a tourist destination? And now we're
15 actually at the other end of that cycle, but you
16 know, that cycle will come around again.

17 Anyway, that's what we are here to
18 do, is we are here to identify properties that are
19 better used other ways. We can make
20 recommendations as to what should be done with
21 those buildings. We cannot require it. We don't
22 have the authority to do so. And by the way, I

1 also want to say one last thing. We also do not
2 have the authority to tell GSA not to sell a
3 building. So even if they wanted to, they could
4 sell every building in America tomorrow even if we
5 didn't think it was a smart idea.
6 We don't have the authority to do that.

7 Now, I might personally scream
8 about it, but that'd be me screaming in a desert
9 like everybody else. It's
10 important for me that people know what we are and
11 what we are not. We are not here to cut jobs; we
12 are here for real estate efficiency and
13 that's really about it. So that's what
14 we're here today for. I think you all, kind
15 of know that, but I was hoping to draw a big bold
16 line under it. That -- that's up to you, Paul,
17 where do we go now?

18 MR. WALDEN: Okay. Thank you. Thank
19 you, Mike. So what we're focusing on -- Archie, if
20 you could go to the next slide. We're looking at
21 mainly the federal portfolio here in Boston, the
22 three federal buildings in Boston, in addition to a

1 large lease in Boston. And
2 I was remiss not introducing our real
3 estate consultant earlier, with Jones Lang LaSalle,
4 (name) is a senior analyst who's been
5 supporting us.

6 So we've been looking at what vacancy
7 figures we have for these three federal buildings,
8 looking at what we -- the most accurate data we
9 have on deferred maintenance, which probably
10 doesn't include the full realm of what really
11 deferred maintenance is attached to these
12 buildings from what we have record of. And we're
13 looking at what the potential cost savings would be
14 if you did some sort of consolidation, either you
15 move, you know, three buildings into two or three
16 buildings into one.

17 And, really, the eye-opening
18 figure is, if you look at those columns in
19 the pink there, this is basically what it is
20 costing the taxpayer today to house a federal
21 employee in those buildings per year. And that
22 factors in the O and M cost for the building, the

1 deferred maintenance, all the cost liabilities
2 associated and realize, even though we are in the
3 post COVID arena and people are coming back to the
4 office, the utilization is still pretty low. So
5 for example, the John F. Kennedy Building,
6 during a low attendance period, it was costing
7 anywhere upwards of \$309,000 per person per year to
8 house them in that building. During a high
9 attendance period, it's 135,000 per year. However,
10 if you did some sort of consolidation and move them
11 into perhaps leased space and avoided all that huge
12 backlog deferred maintenance, the cost per person
13 drops dramatically from anywhere 55,000 to \$23,000
14 per person.

15 So what Jones Lang LaSalle -- what
16 we're working with them on is looking at what is
17 the 30-year net present value if you did some
18 consolidations and we're looking at
19 different scenarios, like I said, moving you know,
20 three buildings into two, three buildings into one,
21 maybe even moving some or all into leased space.
22 We're certainly looking at the lease option as a

1 scenario that is worth further
2 consideration. So that'll help us refine our
3 recommendation to OMB, what makes sense from a
4 financial feasibility standpoint and from a
5 practical standpoint in terms of housing people in
6 efficient, well-maintained safe space. Sure. Yeah.

7 MR. MATHEWS: I just had a quick
8 question for people, since we've got a lot of real
9 estate folks here: What is trophy -- or let's say
10 class A office space in a good market in Boston
11 going for per foot, RSF; can someone raise their
12 hand and just --

13 MR. MONTGOMERY: Seventy-five -- 75
14 bucks.

15 MR. MATHEWS: Seventy-five bucks a foot?

16 MR. MONTGOMERY: Yep.

17 MR. MATHEWS: So let's say 200 rentable
18 square feet per person, 75 bucks a foot. What is
19 that? \$15,000 a year. So when you look at these
20 numbers compared to class A space, good location,
21 downtown Boston, what's trophy? Ninety, a hundred?

22 MR. MONTGOMERY: A hundred.

1 MR. MATHEWS: A hundred. \$20,000 a -- a
2 year. Look at these numbers. The lowest number is
3 \$24,000 a year. It just makes you wonder what are
4 we doing here, right? Something's not right.

5 MR. WALDEN: Thank you, Dan. And -- and
6 one thing I -- that we factor in is when we do that
7 net present value calculation, not only what is the
8 cost avoidance, what's the O and M avoidance, and
9 then what is the, you know, exit value -- what's
10 the fair market value of the property, that factors
11 in, and of course, what's on the
12 other side of the equation, what's the cost of
13 leasing space if that's the ultimate solution. All
14 right. So that's gives you some sense of what
15 we're looking at when we do our analysis.

16 And we had mentioned a couple of
17 other buildings in Eastern Massachusetts and
18 I want to emphasize --

19 If you would go to the next slide,
20 Archie. Oh, back, back. One -- one back.

21 We had -- what we're doing is,
22 we're taking the government's real property

1 inventory, the federal real property profile as
2 it's called, and we're -- and you have to realize a
3 lot of the data isn't accurate, but it's a starting
4 point and it's, sort of, a barometer to help us
5 highlight buildings that appear to have a high
6 amount of deferred maintenance, that appear to have
7 a low vacancy, and we're still trying to get
8 accurate occupancy numbers because there's this
9 data collection that's started this summer with the
10 USE IT Act. But based on that, we're just, sort
11 of, applying these filters and what, sort of, came
12 out of that first filter is this -- the customs
13 house in New Bedford.

14 And, again, I realize it's a historic
15 building. It may not pencil out, but it's -- we at
16 least need to take a look at it. And one of the
17 reasons why I, sort of, want to document it and
18 tell people we're looking at it at a high level
19 is at the end of the day, we want to tell the
20 Office of Management and Budget and GAO, this is
21 what we started with, these are the filters we
22 applied, this is the analysis we applied, and this

1 is why some buildings dropped off, at least to
2 document the procedure.

3 And then the Hastings Keith, I
4 understand that's already undergoing the disposal
5 process, so that's probably not going to be
6 something we're going to focus on. And then this
7 federal building in Fitchburg, Mass., I realize
8 that has a large postal service component and a
9 Social Security component. And again, we're not
10 advocating moving anyone out of the city. Well, at
11 -- at least one to look at it and see what is the
12 financial feasibility and what's the functional
13 feasibility of maybe moving them into leased space
14 and what's the cost savings. But again, it's a
15 very high level review at this point.

16 And there was an interesting building we
17 found here in Boston and I spoke to the regional
18 office about it yesterday, this 11 Channel Street,
19 it's a DHS building that I think the
20 City has some interest in seeing something happen
21 with that, so we're going to include that in our
22 analysis. And it's right, just across the channel

1 here, south of town. So that gives you an idea of
2 what we're looking at in this general area.

3 And again, I introduced our Jones
4 Lang LaSalle consulting staff, and their
5 level of expertise has been invaluable. And
6 also, I need to recognize our other communications
7 support contractor, Alito, Adam Oliver is here from
8 Aleto this morning. So without those two, we would
9 really be in a bind. So I appreciate their support
10 and their hospitality, JLL, for hosting us here in
11 their beautiful space, so --

12 MR. CAPUANO: So does anybody want to
13 buy a building?

14 MR. MATHEWS: Can I just ask them a
15 question?

16 MR. WALDEN: Yeah.

17 MR. MATHEWS: I noticed I'm, kind of,
18 reversing the hearing here, but I've got another
19 question for people out there. So trophy office
20 space, a hundred bucks a foot. What kind or --
21 let's say you had a 15 year non-cancellable firm
22 term, what type of tenant improvement allowance do

1 you think a landlord would put out there? How much
2 a foot?

3 MR. MONTGOMERY: Fifteen (indiscernible),
4 200 bucks.

5 MR. MATHEWS: \$200 a foot. The reason
6 I'm asking these questions, not just for our
7 benefit, but we've got GSA in the room here too,
8 right. They're the ones who are thinking about
9 what the alternatives will be and how to finance
10 them. One of the biggest obstacles to doing
11 anything here, right, is relocating the existing
12 tenants. Cash is scarce in Congress right now.
13 Agencies don't have a lot of appropriations, but
14 \$200 per foot tenant improvement allowance, as long
15 as a tenant isn't just gilding the lily there,
16 right, that should cover it. They should be able
17 to move. They should be able to relocate for that.
18 So very minimal upfront appropriations requirement
19 to implement the actual disposal, relocation to
20 somewhere else, which then helps fill vacant space
21 in downtown Boston, and then takes office
22 space -- because I think the buildings we're

1 looking at probably are not going to be office
2 space, there's no demand for that, but they're on
3 good locations.

4 There's demand for other things, mixed
5 use, residential, whatever it might be, goes on
6 the tax rolls. You're decreasing office supply.
7 You are increasing demand for existing high quality
8 space at a fraction of the cost of what the
9 government's actually paying to house a federal
10 employee getting work done for the taxpayers.
11 That's the -- that's the financial model that we're
12 looking at and I think it pencils out quite well.

13 MR. WINSTEAD: I'd like to -- just to --
14 hello. Yeah. Just to follow up on Dan's point,
15 although the Board is not engaged in the
16 sales process, you know, we have high level of
17 sophisticated real estate executives on the Board
18 as well. And I -- and I will tell you one of the
19 things that -- that I'm particularly focused on, I
20 think the Board is as well, is getting ideas
21 through public hearings like this of the tools that
22 are available to take advantage of these

1 assets.

2 So you have, obviously, the federal
3 government, you have obviously the host
4 jurisdiction, where the asset resides, and you have
5 the development team, including the finance
6 development, you know, zoning, planning group that
7 would make a reuse of it. And I've done this
8 in Washington where we've got these huge buildings
9 that are now reported out for disposal and I'd
10 love to hear from you all or submit to us, you
11 know, as you view the tools for these Boston
12 assets, you know, what could be done to make it
13 more receptive for developers, for buyers to come
14 in on these assets and to be able to
15 close and actually take one of these assets and
16 redevelop it.

17 So some of the things, just an example
18 of what we'd love to hear, it really is
19 more on GSA side to take advantage of some of these
20 tools. But in DC we talked about, for these major
21 assets, streamlining zoning and permitting process,
22 establishing standard limited proffer packages,

1 providing tax abatements of 15 to 20 years,
2 elimination of rent control for any kind of
3 residential redevelopment, streamlining eviction
4 processes, and others, obviously preserving
5 historic preservation. In terms of the district,
6 you've got, you know, additionally, some oversight,
7 federal responsibilities, you got to deal in the
8 Federal Fine Arts Commission, you got to deal with
9 the National Capital Planning Commission.

10 So a lot of these things in the
11 District, we're looking at what are the DC
12 and federal agency review process and how can they
13 expedite it? How can they reduce the obstacles of
14 a sophisticated, competent, capable
15 developer or buyer taking these down? So
16 I'd love to hear from some
17 of you all on what some of the tools would be here
18 in the Boston area to incentivize the sale of these
19 assets.

20 MR. WALDEN: That's a good introduction
21 to our Q and A session. And as a reminder, we are
22 recording this hearing as well as preparing a

1 written transcript, and
2 the transcript will be on our website here in a few
3 days. So just a reminder, we are recording this.
4 With that said, I will open the floor to Q and A.
5 And if you would -- and you'll need to use the mic,
6 I'll pass you the mic, if you would introduce
7 yourself and what company or agency you're with.
8 Anyone like to pose a question for the
9 Board? Yes, ma'am.

10 MS. CARLOCK: I'm not real estate. I'm
11 a reporter, so --

12 MR. WALDEN: Okay.

13 MS. CARLOCK: -- that makes a difference.
14 Hi, I'm Catherine Carlock from the Boston Globe.
15 I wondered if you could tell us a little bit about
16 what would go into the recommendation for the three
17 downtown buildings in particular? What would
18 make you lean one way towards consolidation of all
19 three, towards disposition of all three? Is
20 there any one way or the other that
21 you're leaning?

22 MR. WALDEN: Who wants to take a crack

1 at that? Or I can take a crack at it or you --

2 MR. MATHEWS: I'll take it.

3 MR. WALDEN: All right.

4 MR. MATHEWS: So, again, it's those two
5 things, right, occupancy, capital liabilities, and
6 alternatives, right? If there's another one,
7 right, alternative costs. And, you know, you saw
8 that slide, some of the buildings have more costs
9 associated with them than others. And then there's
10 also the locations, right? Different locations may
11 have different value. I think the McCormick
12 Building, which is, I think, right outside the
13 window here somewhere, you know, it's an older,
14 pre-war building, narrow footprints,
15 lends itself very well to residential. And the --
16 the building's actually in probably
17 one of the best conditions out of all
18 three of them, so -- and a fabulous location,
19 probably a lot of demand. We actually met with the
20 City yesterday and they were quite, I think,
21 interested in several of these properties.

22 MS. CARLOCK: Who'd you meet with?

1 MR. MATHEWS: I'm terrible with names.

2 MS. CARLOCK: Kairos Shen?

3 MR. MATHEWS: We could probably get back
4 to you.

5 MR. WALDEN: No, it was director
6 of -- Garrick --

7 MR. MATHEWS: I'm -- I'm sure we could
8 get back to you --

9 MS. CARLOCK: Devin Quirk?

10 MR. WALDEN: Devin Quirk; that was it.

11 MS. CARLOCK: Okay.

12 MR. WALDEN: Elizabeth Sherva.

13 MS. CARLOCK: I wasn't that sure about
14 (indiscernible).

15 MR. MATHEWS: You know, the Tip O'Neill
16 Building, it's literally adjacent to TD Gardens.
17 Obviously, a lot of exciting economic redevelopment
18 there. It's on the side of the street that's not
19 on the historic side, so it also lends itself to
20 redevelopment quite well. I think the JFK Building
21 is in that government center, so in terms of the
22 location, probably a little more challenging

1 location than these other two. There are
2 some other properties that actually weren't on the
3 list that we've been looking at over by the
4 convention center.

5 So, again, very, I think, exciting
6 economic redevelopment opportunities there, not the
7 building, the land, frankly, is exciting. And then
8 we already recommended one which was approved, so
9 that's actually in the process right there on the
10 channel. So a combination of what could be done
11 with it, and then what's the cost of
12 getting the people out, because that really affects
13 the net benefit of the transaction.

14 And I think what we heard today here,
15 right, is we're, sort of, at the bottom of the
16 leasing market in Boston if you look at the
17 cycle of leasing markets. Some markets, like
18 Washington DC, are still falling, some are starting
19 to pull out and vacancies are getting tighter and
20 rates are going up. Boston, according to our
21 analysis from the JLL, sounds like it's
22 bottoming out right now. There frankly

1 couldn't be a better time to be securing long-term
2 leases in the private market as alternatives,
3 because those are important.

4 How do you actually enable a disposal?
5 You have to get the people out of it and that costs
6 money. And if it requires a whole lot of
7 congressional appropriations, that can stop it
8 if it's not available. But if you're
9 getting \$150 tenant improvement allowance from the
10 landlord, or \$200, and your annual rent per person
11 is \$20,000 for trophy space -- you saw these
12 numbers here, right? Six times that amount or more
13 is being spent in these federal buildings and
14 they're awful. Like, if you're an employee working
15 there, it's terrible. So I think in this market,
16 the value proposition is very, very strong. And I
17 think there's a path forward to actually implement
18 it because of where we are in the lease markets.

19 MR. CAPUANO: There is also the
20 factor of what the potential income from the
21 sale of the property would bring. The Boston
22 market's also at the bottom of that. So you know,

1 it might sound good, but there's an
2 outgoing part of the equation, but there's also an
3 incoming part of the equation and that's part of
4 the discussion. Okay. We can sell the building,
5 but if we only can get a dollar for it, is it worth
6 selling at this point? You know, that kind of
7 thing. And plus
8 we do look at -- we consider local needs, the local
9 market, what they want. We try to work with the
10 local governments to try to figure out, okay, even
11 if we sold it, you know, we can't tell you what to
12 do. We can't tell GSA what to do with it. Do you
13 have any ideas? What are you thinking?

14 And that's what the meeting with Boston
15 and Washington DC and others have been about is,
16 okay, if we were to do something like this, what
17 do you think? Not -- probably not so much here,
18 but in DC, one of the things we discussed was,
19 okay, even if we got rid of 20 buildings tomorrow,
20 what does that do to the market? And, you
21 know, here, probably that's not as big and the
22 likelihood of us selling all three buildings, my

1 opinion, is probably not very high. But if we did,
2 that would have an impact on the local market.
3 Now, what it would be, you guys would have to help
4 us make those decisions. So all that stuff comes
5 into factor. It's not as easy as
6 it sounds in some levels. I mean, there are some
7 non-number of factors that go into it.

8 MR. WINSTEAD: I would just
9 add a few things. I mentioned in my closing
10 comments about the tools -- and you all are real
11 estate experts, we'd love to hear from them. But
12 one of the things the Board is looking at and very
13 concerned about is, you know, how these assets,
14 which are older, historic landmark buildings can,
15 in fact, be conveyed. And one of the things
16 we've recommended now in three different reports, I
17 think, is really engaging with experts in the
18 marketplace that -- in many of these assets, such
19 as the three buildings we're talking about, are
20 really very complicated. You know, they -- the
21 values are embedded in rezoning and market, in
22 terms of residential, retail, office, what's the

1 best?

2 So we are really hoping that more
3 and more of the communities where these assets look
4 at, you know, what approaches should be taken.
5 We've recommended to GSA, and they're now looking
6 at it as a tool, is really engaging the broker
7 function. They've had it on the leasing side
8 since, I'm trying to think, 2002 when the original
9 broker contract came into place on leasing. And we
10 feel that broker engagement for these complicated
11 assets is really necessary.

12 And the disposal approach needs to
13 be looked at in terms of which one is the best
14 best process. Looking at outright sale, which
15 unfortunately for many of these assets -- and we
16 did have huge deferred maintenance, complications,
17 untitled rights, and that kind of thing, so -- but
18 outright sale is certainly one option, a joint
19 venture where the government takes an agreed upon
20 value and contributes to the value of that property
21 and land to a joint venture, or a ground lease,
22 which others on the Board can comment, certainly in

1 -- in looking at some of these landmark federal
2 buildings that have had deferred maintenance is
3 really a very, very attractive approach. Looking
4 at a standard non-subordinated ground lease can be
5 an attractive and effective way to maximize the
6 value.

7 MR. WALDEN: Anyone else?

1 MS. SPAGNOLA: Good morning. Thank you.
2 My name is Julia Spagnola. I'm from Senator
3 Markey's office. I know my colleagues from Senator
4 Warren's office are also here as well, and our
5 offices are located in the John F. Kennedy
6 Building. We're on the ninth floor, Senator Warren
7 is on the 24th floor, and I just had a couple of
8 questions for the Board. I appreciate the
9 presentation and wondered if security has been taken into
10 consideration.

11 And also, just, I know we're more
12 unique tenants based on our security needs, and
13 also I know how we -- how our constituents can
14 access us, so I'm just curious if that was taken,
15 you know, into any consideration by the Board at
16 all? Both of our offices are actually having
17 hundreds of thousands of dollars of security
18 internally done as we speak right now inside. And
19 I also know that Federal Protective Service and DHS
20 is also located in our building, so that's a
21 safety asset I think for us. So I'm just curious
22 about any thoughts or considerations for

1 security for senate offices.

2 MR. MATHEWS: Yeah, I can speak to
3 that, and probably David as well, since we both
4 were former commissioners of the Public Building
5 Service. So security clearly is an option and
6 something that can be accommodated in all sorts of
7 different facilities. You know, we have FBI
8 field offices, the director of National
9 Intelligence, for example, that whole complex is a
10 leased facility. The National Counter Terrorism
11 Center is a leased facility. Those are extremely
12 secure facilities as you can imagine. So the
13 ownership of the facility really isn't a major
14 factor in the ability to secure a location. Other
15 things about tenant mix, setbacks, obviously the
16 types of security and guard presence you put on and
17 access control, all those things really drive the
18 security posture for the tenants.

19 And it's absolutely -- those
20 basic requirements of relocating the tenants is --
21 is something that is absolutely an issue and the
22 tenants will have, in this case,

1 obviously, you guys are -- are a tenant in the
2 building, if we were to recommend that one, and not
3 saying that we are, but if it were and -- and if it
4 actually was to be disposed of, right, the tenants
5 would have a say in that as well, of course, as to,
6 you know, where you might relocate and -- because
7 it's not just security, but you said you also need
8 public access because constituents need to be --
9 visit, so being off on a military base somewhere
10 would probably be a terrible location. So all
11 those things would be taken into consideration and
12 and can be met.

13 MS. SPAGNOLA: Got it. Thank you so
14 much.

15 MR. WALDEN: Thank you.

16 Yes, sir.

17 MR. CAMPBELL: I'll save you the walk.

18 MR. WALDEN: Oh, okay. I'll meet you
19 half way.

20 MR. CAMPBELL: Thank you. My name is
21 Carl Campbell with the Armstrong Company, and my
22 question is for you, Mr. Mathews, because it's of

1 particular interest to myself and the colleagues I
2 have here today. So you said the biggest barrier
3 is that once it's -- the Board is recommended that
4 the building is a good candidate for sale, you said
5 the biggest barrier is the relocation. Can you dig
6 a little deeper in that? Is it the straight cost
7 or is it employee resistance to that change or
8 further commute or the other sociopolitical factors
9 that are in it? Because -- like, yesterday, I was
10 in Newark, New Jersey, decommissioning a quarter
11 million square feet. Last year, I probably did
12 five to 6 million square feet of relocations and
13 decommissionings for buildings, but it's the
14 private sector. And from what I'm seeing with, at
15 least, my clientele, they're churning spaces every
16 three years, so there has to be an economic
17 inefficiency benefit to doing that churn. So I
18 guess that's my question.

19 MR. MATHEWS: Yeah. I would say, writ
20 large, not just for what the Board's doing, but
21 it's part of the reason why the Board was created
22 by Congress, the initial obstacle to disposing of

1 federal properties, I would say, is decision
2 making. Unlike a private company where you have
3 clear decision making in most cases, right?
4 Government is very diffused. So GSA, quote, owns
5 the building, has the real estate authority to make
6 the decisions about what to do with it, but the
7 tenants are also government entities and they've
8 got decisions about what they do and they control
9 their own budgets.

10 And to actually, let's say, empty the
11 Tip O'Neill Building, you know, maybe they're a
12 dozen or more different federal agencies in there;
13 they all have their own individual budgets. And
14 the federal budget cycle is such that, right now,
15 today, agencies are drafting, internally, their
16 fiscal year '27 budget. And then that's going to
17 go through that approval process and Congress
18 probably won't approve it until we're in fiscal
19 year '28, so the whole, like, funding cycle,
20 decision making cycle to say, okay, let's ask for X
21 amount of dollars to get out of a building, so then
22 that building could be sold, you're corralling,

1 what, a dozen, different agencies with all their
2 different budget processes that are located in DC.
3 So that is a major challenge.

4 And GSA too often gets in a position
5 where, I don't control that, it's just too
6 difficult, we're just going to stay where we are,
7 even though the building's 25 percent occupied.
8 You know, it's got \$800 worth of liabilities per
9 foot. That -- that's how it actually comes about,
10 because the decision making is just so frozen, and
11 then the budget process. Obviously, the Board was
12 created to look at those situations and say that's
13 nuts. We're spending \$300,000 per person per year.
14 No. Get this all the way to the director of OMB
15 who's in a position to make sure that those
16 agencies have the money to move.

17 But again, if you're going to a
18 lease and the landlord's going to cover all those
19 costs up front and now all you have to do is sign a
20 lease and GSA has the authority to sign that lease,
21 that's a contractual obligation. Congress will
22 appropriate the money to pay that rent. They're

1 obligated to and they do it. They've never
2 defaulted on that. So decision-making, and then
3 the availability of the upfront costs, those
4 really are the biggest challenges in a way.

5 MR. CAMPBELL: Thank you.

6 MR. RAHALL: And if I might add to what
7 Dan has said, and an answer to your question, I
8 think it's all of the above has been the
9 real problem we've had. So much of the decision
10 making process in the past has been buried in
11 bureaucracy if you will. And as has been mentioned
12 many times already this morning, that's one of the
13 reasons Congress created our board is to try to cut
14 through some of that bureaucracy and to provide for
15 more expeditious and efficient way of disposing of
16 these underutilized and unused assets. And again,
17 it's been a bureaucrat nightmare that I
18 have found that I didn't really see as clearly
19 during my 38 years in Congress as I now see during
20 my six years on this board.

21 MR. CAPUANO: I just need to remind
22 people human beings are human beings. When you

1 save a million dollars for a private company,
2 somebody gets a pay raise, somebody gets a higher
3 stock payout, somebody gets better -- somebody gets
4 something out of that. The money just didn't have
5 to disappear. In the government, not just the
6 federal government, any government, what's the
7 incentive? Nobody gets a pay raise, nobody gets a
8 good job, nobody gets, you know, a hired
9 by you any faster for doing any of those things.
10 What's their job? Their job is to get paid X
11 to sell a building. Whether we sell it or not,
12 I'm getting paid the same, whether we sell it for a
13 buck or a gazillion dollars, I'm getting paid the
14 same. There's no incentive. We're trying to find
15 ways to give reasonable incentive to government
16 employees to do that action.

17 And we are limited as what we can do, not
18 just because of the law, but more importantly,
19 because it's hard to do. If you give a
20 -- a government employee, any government employee,
21 a financial incentive to do X, some people are
22 going to claim bribery, some people are going to

1 say, well, you could have sold it for two gazillion
2 instead of one gazillion, and you sold it to your
3 brother-in-law for that. There are reasons why
4 government is so slow and inefficient. And the
5 reasons are 200 years of built up problems, usually
6 criminal activities by somebody that got somebody
7 in government to say, we can't do that anymore.
8 Now, we have to add these three hurdles to do it to
9 make sure nobody ever does that again.

10 So that's where we're at. We're trying
11 to find reasonable ways to get around that.
12 Human nature is human nature, private or public.
13 Financial incentive is a very good incentive that
14 works well in private sector. It does not work in
15 the public sector, so people need to
16 understand that.

17 There's part -- but it can change.
18 I'm going to tell you that the experience I
19 had with GSA and the Volpe Center was great. It
20 was great because I got lucky. I had a couple of
21 people in region one, this region, who were near
22 the end of their career and saw an opportunity to

1 do something that was different and unique, fun.
2 They didn't get any financial benefit out of it. I
3 got -- I guess somebody in DC gave them a nice
4 award saying good job. You know, they didn't get
5 an increased retirement benefit. They did it
6 because it was out of the ordinary of what they
7 were doing and because it was the right thing to
8 do, but that's all. It would've been nice. They
9 would've been even better -- and then by the way,
10 we -- with them, we had to fight the DC bureaucracy
11 to get them out of the boxes that they still
12 in -- the DC boxes still exist.

13 The thing I found is the resistance
14 to something new, it's -- again, it's human nature.
15 I don't like saying, oh, it's government.
16 It's not just government. I put any of you in
17 these same jobs, you're going to the same thing.
18 Why should I cross the street differently if
19 there's nothing in it for me? I'm getting the same
20 pay, the same benefits, the same this, the same
21 that to stay here in the shade, why should I walk
22 in the sun? And people need to understand that.

1 So we need to try to find new incentives to get
2 people to embrace new activities, such as even
3 selling a building. I had no idea before -- I
4 spent 20 years in Congress, I had no idea that
5 GSA's normal way to sell a building is to simply
6 put it on the internet and wait for you to show up.
7 I don't have to know much about real estate to
8 know that's stupid, but yet to try to get them to
9 do anything other than that has been very difficult.

10 Just try one -- for once, go out and
11 get a real estate broker one place and see how
12 it works for one building that might be unique.
13 And we've had some degree a little bit
14 more success, but it's just been very difficult to
15 break that, and why is it difficult? We've done it
16 that way for 40 years. And what's my incentive to
17 change? It works. By the way, if I change
18 it and it doesn't work, I could lose my job because
19 it rolls downhill, guys. And when it rolls
20 downhill and something goes bad, it falls on me.
21 So therefore there's not only no
22 incentive to try something new, there's a lot of

1 incentives to keep doing the same old, same old,
2 same old that might have worked 40 years ago, but
3 doesn't work today. And it's not as easy to just
4 simply say you got to change it. It's very
5 difficult to change those mindsets and to give
6 incentives to try something new.

7 MR. WINSTEAD: I might also just add,
8 you know, what the Board's lived through. We -- I
9 think Nick was there and voted for FASTA? No,
10 neither.

11 MR. RAHALL: No.

12 MR. WINSTEAD: No? But anyway,
13 we've only been around since 2019. 2020 to '23 was
14 COVID and you all know better than anybody, the
15 impact of COVID. So the Board has lived through
16 this reality of, you know, office space per person
17 show up for work every day to now's reality of
18 telework on both the public and private
19 side. And just to -- you know, GSA has to balance
20 a lot and -- you know, in taking care of the tenant
21 agency needs. And what we've seen, just on our
22 brief life on the Board, we saw Obama's focus on

1 reducing the footprint. So during the Obama
2 administration, they made a lot of headway on
3 reducing the square footage per person sharing
4 offices. My offices at GSA back in 2009 now has
5 six people in it, so that's the kind of impact that
6 he made.

7 And then we had under Dan's watch, the
8 first Trump term, he focused on lengthening the
9 lease term so that the federal government is
10 getting better value from the private landlord,
11 right? The longer the lease, the better rental
12 rate you can get and negotiate for. And then we
13 saw -- under the Biden administration, we saw an
14 allowance of 1.5 days a week that federal employees
15 needed to show up in the office. Two and a half
16 days per pay period. So obviously we saw a huge
17 growth in telework and people staying at home and
18 working, and now we're saying, obviously under this
19 administration, return to the office for the
20 federal employees.

21 So not only have we been around looking
22 at these assets now for five years, we --

1 partnering with GSA, but we've seen the -- this
2 huge flux in terms of requirements of federal
3 employees and what the focus of various
4 administrations have been. So that, you know, that
5 also churns back to your question about, you know,
6 relocation and changing, you know, that's another
7 factor that we've had to live with. Not
8 necessarily -- we didn't make those decisions, but
9 we've had to look at these assets in terms of the
10 impact of those federal tenancy policies.

11 MR. CAPUANO: I
12 got to follow up on what David said, it's true in
13 the private sector as well. I mean, ten years ago,
14 everybody had their little cubicle offices and that
15 was it. Nobody's doing that now. Everybody went
16 to these big huge rooms where you shared desks with
17 everybody. And I've been told by lots of people,
18 again, you're in the business, but that's, kind of,
19 passe already. Didn't work out. People don't like
20 sharing offices. When they have to have private
21 meetings, they like having an office that's their
22 own.

1 Again, I know that that's -- so
2 that -- yes, the public sector changes, absolutely.
3 So does the private sector, and they're still
4 working out what they're doing, and you know that
5 better than I do. And whatever is in today, may
6 not be in tomorrow. I mean, I've seen accounting
7 firms and law firms change their footprint
8 overnight. And I agree it is much
9 more frequent. It is good for us to learn from the
10 private sector what's going on.

11 And by the way, the private sector
12 changed just how many days you're going to come
13 into work. It's still changing today and anything
14 in the private sector clearly moves faster than
15 government for obvious reasons. I think they're
16 obvious. But okay, how many days a week you have
17 to be in? Do you need your own desk? Do you need
18 your own space? And that answer has been a moving
19 target over the last ten years -- actually, the
20 last five or six years.

21 Ten years ago, it was a simple target,
22 so much per employee, that was it. This is what

1 you get. You either get an enclosed office or
2 an open office or a desk. Not so -- but not so
3 anymore. And the answer is different for different
4 companies and different industries. Government's
5 no different. We're still playing with those
6 things, usually, ten steps behind private
7 enterprise. That's normal. But if you're going
8 through changes, so will we.

9 MR. CAMPBELL: So that -- just to follow
10 up with that. So -- and this is just my
11 observations from the private sector -- I don't do
12 hardly any government work, but just my
13 observations in the private sector, the reality of
14 it is, if you're looking at spaces that might
15 need \$800 a square foot of maintenance improvements
16 and you're worried about utilization, like maybe a
17 new workspace would increase utilization because
18 they don't want to go to the office that looks like
19 a 1930s prison. So I've seen more utilization when
20 they start moving.

21 MR. WALDEN: Well, thank you for those
22 questions. We're at the top of the hour, so our

1 time is up. So I'm going to conclude our hearing.
2 Our contact information, if you have any questions,
3 it's fastainfo@pbrb.gov or come up here and I'll
4 give you my card. If you have any follow-up
5 questions, we'll be happy to answer them. Thank
6 you again for coming out this morning.

7 (Off the record at 12:02 p.m.)

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