



U.S. General Services Administration

Federal Real Property Overview

Presented by Office of Real Property Utilization & Disposal



Tract C Lands Parcels A-D

Deschutes National Forest 17 Miles south of Bend, Oregon
Landholding Agency: USDA - Forest Service

Nike Site PH-58

Swedesboro, New Jersey
Landholding Agency: GSA

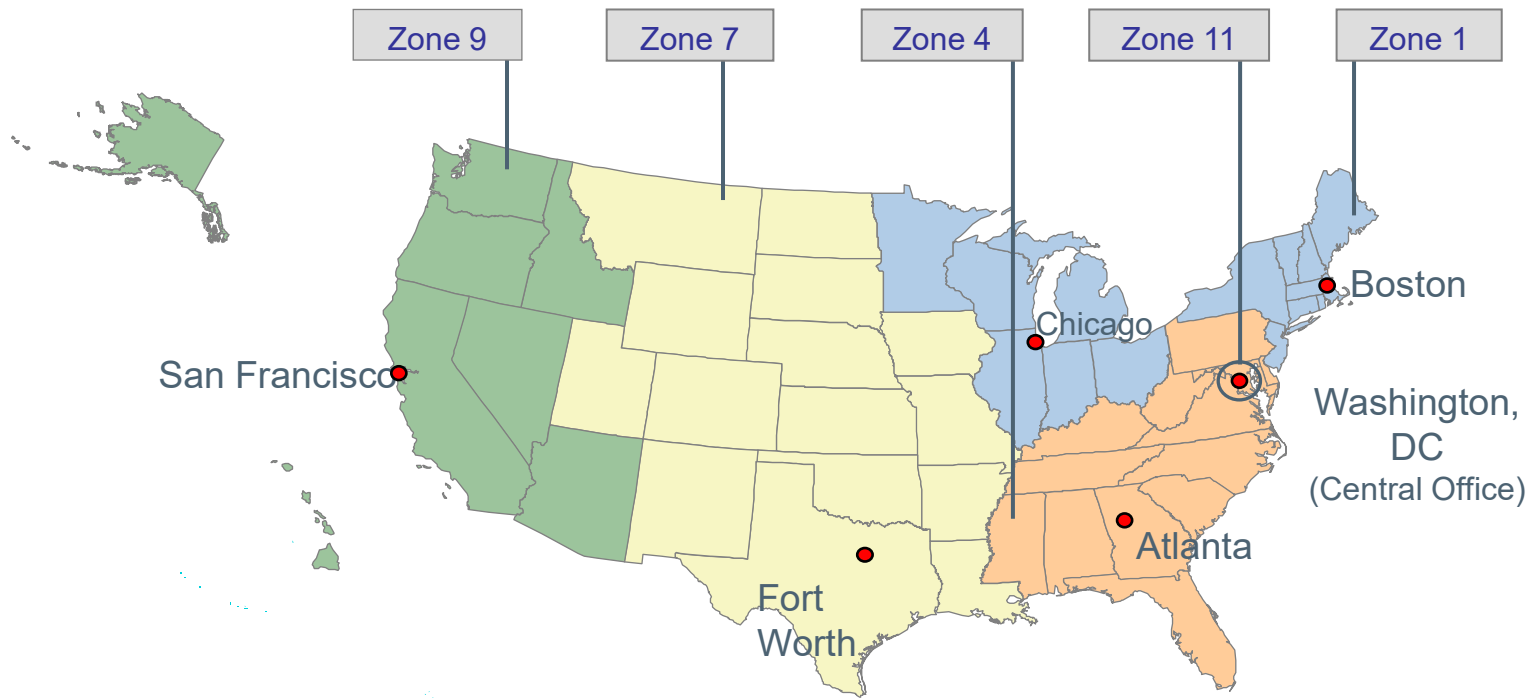
Little Rock Job Corps Property

Little Rock, AR
Landholding Agency: Dept. of Labor

The Office of Real Property Utilization & Disposal's Mission

- ▶ Responsible for promoting the effective use of federal real property assets, as well as the re-positioning of real property that is no longer mission-critical to federal agencies, by:
 - Focusing on the policies and processes applied to the disposal of real property.
 - Working with Federal landholding agencies (LHAs) to develop responsible asset management strategies that fully leverage the Federal real property portfolio by identifying and addressing underperforming and/or excess real property assets.

Where is your local GSA Utilization & Disposal Office?



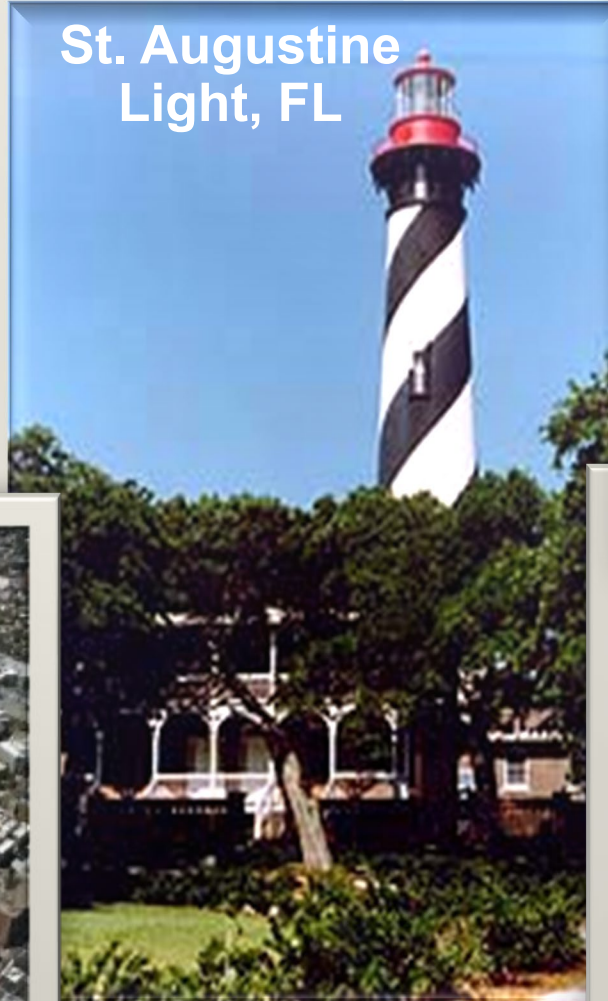
Utilization & Disposal's Role

- ▶ Serves As Broker to All LHAs
- ▶ Gathers & Analyzes Realty Due Diligence
- ▶ Implements Socio-Economic Initiatives
- ▶ Access to Broad Contract Services, e.g., Appraisal, Environmental, Historic, Market Studies, Targeted Asset Reviews, etc.
- ▶ Ensures Equitable & Objective Decision Making
- ▶ Develop & Execute Realty Repositioning Strategies

Transactional Diversity



**St. Augustine
Light, FL**



Plum Island, NY



Volpe Center, MA



**Volunteer Army
Ammunition
Plant, TN**



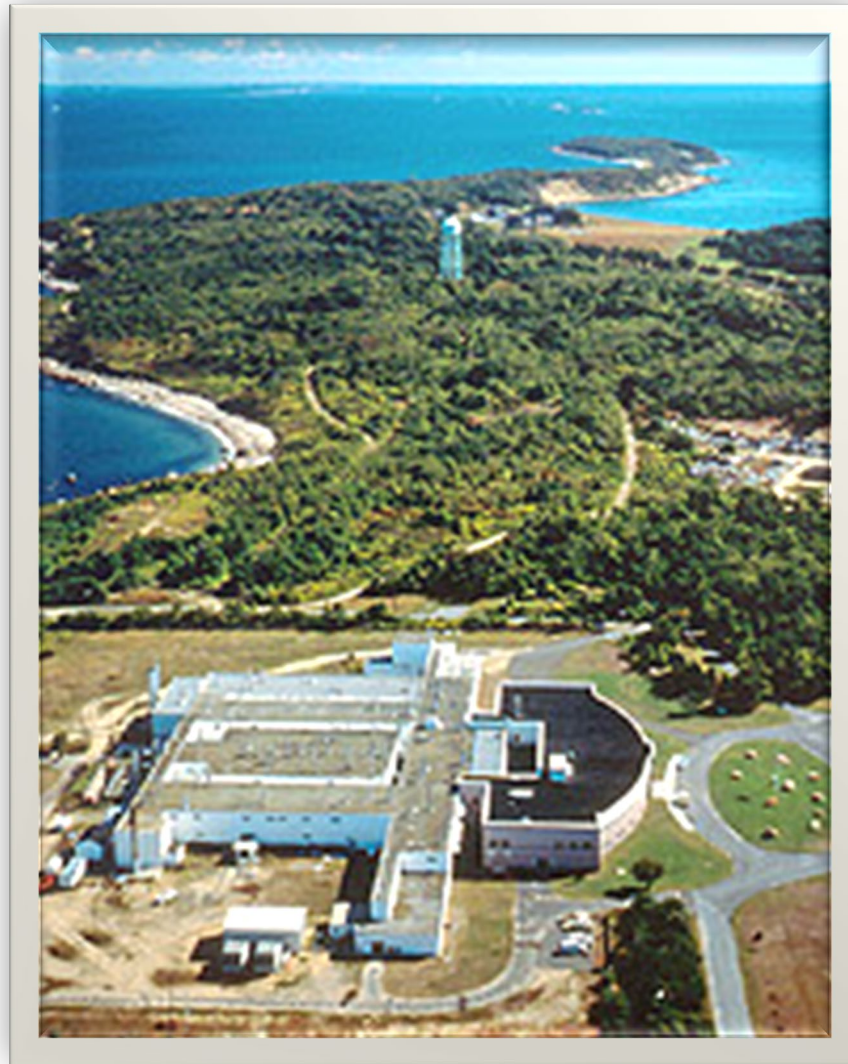
West Heating Plant, Washington, DC



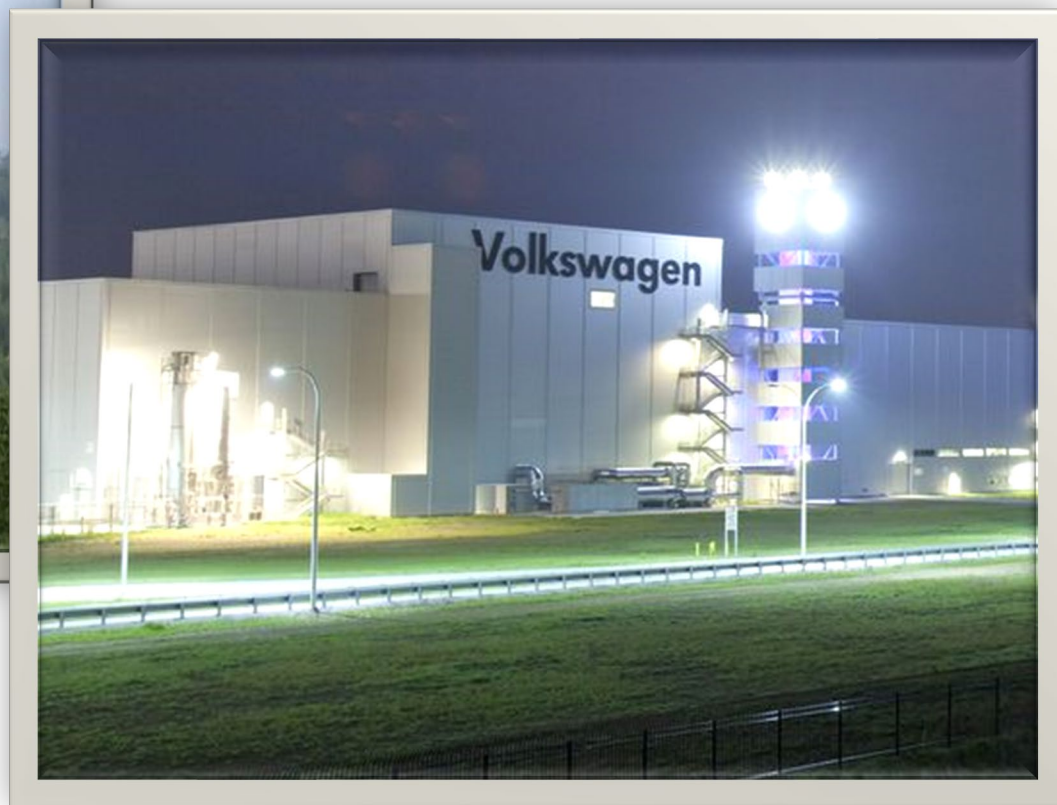
St. Augustine Light, FL



Plum Island, NY



Volunteer Army Ammunition Plant, Chattanooga, TN



Volpe Center – Cambridge, MA



Transactional Trends: FY2018 – FY2022

- ▶ Total Transactions:
 - ▶ **568** Deals Closed, Transfers, PBCs, & Sales
- ▶ Total Sales:
 - ▶ **408** Public Sales & Sole Source Negotiations
- ▶ Proceeds:
 - ▶ Over **\$637M** in proceeds generated

Ongoing Initiatives Affecting Federal Real Property

What are the drivers to reduce the Federal Government's real property portfolio?

- ▶ Real property has been viewed as a high profile, risk issue for the past decade.
- ▶ Evolving Office Paradigm Coming Out of Pandemic—more open space, more teleworking, reliance on new technologies – how & where we work is changing.
- ▶ Real property has become a focus for the Executive and the Legislative branches, specifically to identify & divest of underutilized property.
- ▶ Agencies lack resources and incentives to dispose of excess property.

What is Executive Order 13327?

- ▶ Promotes the efficient and economical use of Federal Real Property Assets as part of the President's Asset Management Initiative.
- ▶ Executive Order 13327, "Federal Real Property Asset Management" was signed in February 2004. Its major provisions include:
 - Federal Real Property Council (FRPC)
 - Federal Real Property Profile (FRPP)
 - Senior Real Property Officer (SRPO)
 - Asset management plans required by LHAs

What are the Guiding Principles from the Federal Real Property Council (FRPC)?

- ▶ Support agency missions and strategic goal
- ▶ Use public and commercial benchmarks and best practices
- ▶ Employ life-cycle cost-benefit analysis
- ▶ Promote full and appropriate utilization
- ▶ Dispose of unneeded assets
- ▶ Provide appropriate levels of investment
- ▶ Accurately inventory and describe all assets
- ▶ Employ balanced performance measures
- ▶ Advance customer satisfaction
- ▶ Provide safe, secure and healthy workplaces

Federal Real Property Footprint



As a continuation of the Administration's focus on real property, OMB issued a strategy to improve utilization, consolidate operations and dispose of Federal office and warehouse space.

▶ **FREEZE**

- For office and warehouse continue current policy through 2020

▶ **MEASURE**

- Analyze current office and warehouse with an eye toward efficiency
- Continue to improve data quality for FRPP submissions

▶ **REDUCE**

- Accelerate disposals of excess properties
- Continue to explore legislative enhancements
- Execute opportunities to improve utilization

Real Property Reform Legislation

- ▶ **Federal Property Management Reform Act (P.L. 114-318)**
 - Codifies the Federal Real Property Council
 - Headed by OMB
 - Senior Real Property Officers from all LHAs
 - Requires OMB to deliver a publicly searchable Real Property Database - FRPP
 - Includes additional data collection elements
 - All LHAs report on all realty assets
 - Issue an annual report
 - LHAs submit recommendations for asset sales, consolidations, relocations
 - Permanent authority
 - No additional funding

Real Property Reform Legislation

- ▶ **Federal Assets Sale and Transfer Act (P.L. 114 - 287)**
 - Establishes Public Buildings Reform Board
 - 7 Members with Chairperson confirmed by Advice & Consent of the Senate (5 members required to have a quorum)
 - Appropriates funds for establishing the Board and implementing recommendations
 - Provides two new avenues for projects
 - High Value Assets in Year 1 (11 identified)
 - Disposal and/or Consolidation Recommendations in Years 2 – 6
 - Updates to McKinney-Vento Act
 - January 2019 Updates:
 - Board will terminate 6 years after members are appointed
 - 3-year Leaseback Authority from date of sale

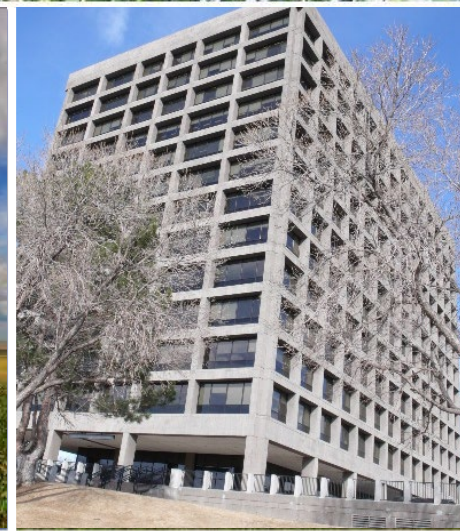
Executive Real Property Reform

Executive Order 14057: Catalyzing America's Clean Energy Economy Through Federal Sustainability December 8, 2021

- ▶ Transition federal infrastructure to zero-emission vehicles and energy efficient buildings powered by carbon pollution-free electricity
- ▶ Make federal agencies more adaptive and resilient to the impacts of climate change, and increase the sustainability of federal supply chains, achieving net-zero emissions from federal procurement by 2050
- ▶ Mainstream sustainability within the federal workforce, advance equity and environmental justice, and leverage partnerships to accelerate progress



An Overview of Federal Real Property



South City Warehouse
South San Francisco, California
Landholding Agency: GSA

Building 67, Denver Federal Center
Denver, CO
Landholding Agency: GSA

U.S. Coast Guard Housing
Chevy Chase, MD
Landholding Agency: USCG

What is the definition of Real Property as defined in the Federal Management Regulation?

- ▶ Any interest in land, together with the improvements, structures, and fixtures located thereon and appurtenances thereto, under the control of any Federal agency, except:
 - The public domain
 - Lands reserved or dedicated for national forest or national park purposes
 - Minerals in lands or portions of lands withdrawn or reserved from the public domain that the Secretary of the Interior determines are suitable for disposition under the public land mining and mineral leasing laws
 - Lands withdrawn or reserved from the public domain but not including lands or portions of lands so withdrawn or reserved that the Secretary of the Interior, with the concurrence of the Administrator of General Services, determines are not suitable for return to the public domain for disposition under the general public land laws because such lands are substantially changed in character by improvements or otherwise
 - Crops when designated by such agency for disposition by severance and removal from the land

“Bundle of Sticks”



Bundle of Rights - rights inherent with the property. The right to use, the right to sell, right to mortgage, right to lease, right to give away, and right to enter. This can be an important concept in the context of an excess report and accordingly in the context of a disposition action.

What is the difference between Real Property and Personal Property?

▶ **Real Property**

– Immovable

- Land
- Permanent structures (houses, office buildings)
- Industrial facilities located on the land
- Can include any structure or item that is permanently attached or fixed to real property (e.g., fixtures)

▶ **Personal Property**

– Moveable

- Electronic equipment, desks, mobile homes, vehicles, office supplies, and any structure that is not affixed to the land

How are Real Property and Personal Property transferred?

- ▶ A deed is the legal instrument that transfers real property from one owner to the next.
- ▶ A “Bill of Sale” is the legal document that transfers title for personal property from the seller to the buyer.

What are ways in which Federal Real Property can be conveyed?

▶ **Fee Title**

- Gives full ownership to the holder
- Highest ownership interest possible in real property

▶ **Lease**

- Gives possession for a period of time and is a contract arrangement calling for the user to pay the owner for use of an asset

▶ **License**

- Entitles a person to use a property, but is subject to termination at the will of the property owner

What are ways in which Federal Real Property can be conveyed? – *cont'd*

▶ **Permit**

- A permit can be a type of license or a pass that may be temporary and/or has an expiration date.

▶ **Easement**

- Allows a grantee to use a property without the benefits of ownership for a particular use.
- Typically granted in a deed to give the right to run power lines to utility companies, or to create right-of-ways between neighboring land owners.

What are some types of Easements?

► **Conservation Easement**

- A legally enforceable land preservation agreement between a landowner and a government agency to protect land from certain forms of development or use
- Examples include agricultural land, forest resources, and/or other valuable natural resources such as wildlife habitat, clean water, clean air, or scenic open space

► **Aviation Easement**

- Property right acquired from a land owner for the use of airspace above a specified height
- Grants the right-of-flight including the right to noise and dust inherent in aircraft flight, the right to restrict or prohibit lights, the right to unobstructed airspace, and the right of entry upon the land to exercise those rights, etc.

What are other types of Property Rights?

- ▶ In addition to fee title, there are many other types of property rights that can be sold either as part of the fee transaction or separately:
 - **Air Rights:** The right to use airspace above a building
 - **Development Rights:** The right to develop the land for housing or other uses consistent with zoning
 - **Water Rights:** The right to use water from a water source (e.g., a river, stream, pond, or source)
 - **Mineral Rights:** The right to extract minerals from the subsurface of the land

Case Studies: USDA Forest Service Water Rights in Nevada and Union Station Air Rights

- ▶ In 2006, the USDA Forest Service submitted a Report of Excess to GSA for the disposal of six groundwater permits for 190 acre feet of groundwater rights in Pleasant Valley Basin in the County of Washoe, Nevada; An online auction to sell the permits was conducted in February 2009. The closing bids for the six groundwater rights permits ranged from \$350K to \$500K.
- In 2004, GSA sold the air rights behind and above Union Station in Washington, DC for \$10M. The purchaser projects 1.5M sf of office space, more than 1,300 residential units, more than 500 hotel rooms, 100,000 sf of retail.

What are the main types of Deeds?

▶ **Full Fee Simple (Full Fee Title) Deed**

- The highest form of ownership that can be granted in a deed
- Entitles the property owner to full enjoyment of the property, limited only by zoning laws, deed or subdivision restrictions, or covenants

▶ **Quitclaim Deed**

- Offers the grantee no warranty as to the status of the property title; the grantee is entitled only to whatever interest the grantor actually possesses at the time the transfer occurs
- Mostly used by Federal agencies to transfer property since it protects Government from title issues that arose before the Government owned the property
- Some states do not recognize Quitclaim Deed; instead, Deed Without Warranty is used in its place. A warranty deed not only conveys ownership, but warrants that the title is clear of encumbrances.

Which three systems are used to describe land in a Deed?

► Metes and Bounds System

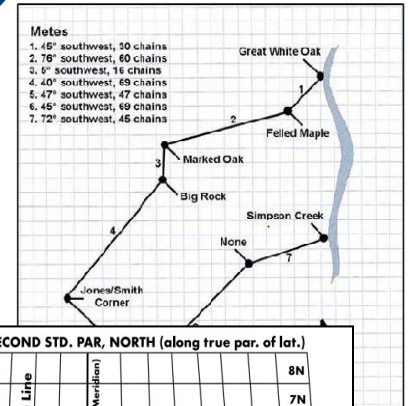
- Uses permanent landmarks with “Metes” (distances) and “Bounds” (compass directions).

► Rectangular (Government) Survey System

- Uses Meridian and Base (East and West) lines to create a grid. The grid is broken down into area blocks called “Townships” and are further divided into area blocks called sections.

▶ Lot and Block System

- A surveyor creates a “Plat Map” that shows the dimensions of each property.
- Tracts are typically defined by one of the older survey systems, such as the metes and bounds survey system.



Overview of the Real Property Disposal Process

Which Laws and Regulations govern Federal Real Property?

► 40 USC, Chapter 5

- Provides that the care, handling, and disposal of surplus property may be performed by GSA or any executive agency designated by the Administrator.
- Establishes general guidelines for use and disposal of urban lands.

Note: 40 USC, Chapter 5 was formerly known as the Federal Property and Administrative Services Act of 1949 and may be referred to as the Former Property Act or the Property Act during this training.

Which Laws and Regulations govern Federal Real Property? – *cont'd*

► **Public Contracts and Property Management, (41 CFR 102-75):**

- Designates GSA as the primary Disposal Agency but also allows for the delegation of that authority to Landholding Agencies as appropriate.
- Federal Management Regulation (FMR) serve as the successor regulation to the Federal Property Management Regulation (FPMR) at 41 CFR 101; effective since December 2011.
- FMR contains updated regulatory policies, but does not contain FPMR material on how to do business with GSA. See <https://www.gsa.gov/portal/category/21221>

Which Laws and Regulations govern Federal Real property? – *cont'd*

- ▶ **McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11301, *et seq.***
 - Allows properties reported to GSA for disposal to be submitted to the Department of Housing and Urban Development for a homeless use determination.
 - Properties deemed suitable and available are posted on GSA's Resource Center for 30 days to allow for a notice to be provided to interested parties.

McKinney-Vento Proposed Rule Change

The revised regulation drafted by HUD/HHS/GSA over the last two years in response to FASTA. Proposed revisions include:

- Expressions of interest timeframe changed from 60 days to 30 days of HUD suitability publication
- Properties determined unsuitable deleted from HUD inventory after 20-day holding period and not included in subsequent quarterly HUD canvasses if no appeal
- Suitability determinations posted on HUD website rather than the Federal Register
- Offsite removals excluded from reporting to HUD for suitability determinations

McKinney-Vento Proposed Rule Change, cont'd

- Availability of property via lease, permit or deed at the applicant's discretion. *Italicized text is the amendment to the previous statute.*
- Bifurcated application to HHS. Phase 1, 75 days, 10-day review by HHS; phase 2, 45 days, 15-day review by HHS.
- Proposed text incorporates regulations from HHS's public health provisions into the McKinney Vento regulations, instead of those regulations being in several other places.

What is a Landholding Agency?

► Landholding Agency (LHA)

- The Federal agency that has custody and accountability for the real property involved
- Responsible for reporting the real property on its financial statements and inventory records

What are the responsibilities of a LHA?

- ▶ According to FMR 102-75.60, a LHA's responsibilities concerning utilization of excess property include the following:
 - **Survey real property** under its control at least annually to identify property that is not utilized, underutilized, or not being put to optimum use.
 - **Maintain its inventory** of real property at the absolute minimum consistent with economical and efficient conduct of the affairs of the agency.
 - **Promptly report to GSA** any real property that it has determined to be excess.
- ▶ To report property excess to GSA, LHAs must complete all due diligence information on the property, including the *Standard Form 118* and its attachments.

What are Unutilized, Underutilized & “Not being put to optimum use”?

- **Unutilized** means an entire property or portion thereof, with or without improvements, not occupied for current program purposes of the accountable Executive agency, or occupied in caretaker status only.
- **Underutilized** means an entire property or portion thereof, with or without improvements, which is used—
 - (a) Irregularly or intermittently by the accountable Executive agency for current program purposes of that agency; or
 - (b) For current program purposes that can be satisfied with only a portion of the property.

What are Unutilized, Underutilized & “Not being put to optimum use”?

- **Not being put to optimum use** means an entire property or portion thereof, with or without improvements, which—
- (a) Even though used for current program purposes, the nature, value, or location of the property is such that it could be utilized for a different and significantly higher and better purpose; or
- (b) The costs of occupying are substantially higher than other suitable properties that could be made available through transfer, purchase, or lease with total net savings to the Government, after considering property values, costs of moving, occupancy, operational efficiency, environmental effects, regional planning, and employee morale.

What is the difference between Excess and Surplus Federal Real Property?

▶ **Excess Real Property**

- Real property that a Federal agency no longer needs to carry out its program responsibilities

▶ **Surplus Real Property**

- Real property that none of the Federal agencies need to carry out their program responsibilities
- May be made available for other uses through the following:
 - Public benefit conveyances (PBCs)
 - Negotiated sales
 - Public sales

What are the benefits to Excessing Real Property?

- ▶ A Landholding Agency may want to dispose of real property for the following reasons:
 - Generate funds through the sale of real property assets
 - Save money/cost avoidance
 - Dispose of real property assets which have high protection and maintenance costs, but generate minimal revenue
 - Comply with President's Asset Management Initiative (E.O. 13327)
 - Leverage equity through GSA's Relocation Authority
 - Freeze the footprint, by disposing of property an agency has the ability to acquire property

What is a Disposal Agency?

► Disposal Agency

- Designated to transfer excess or dispose of surplus real or personal property
- GSA is generally the disposal agency and is charged with disposing of surplus real property as designated under 40 USC, Chapter 5.

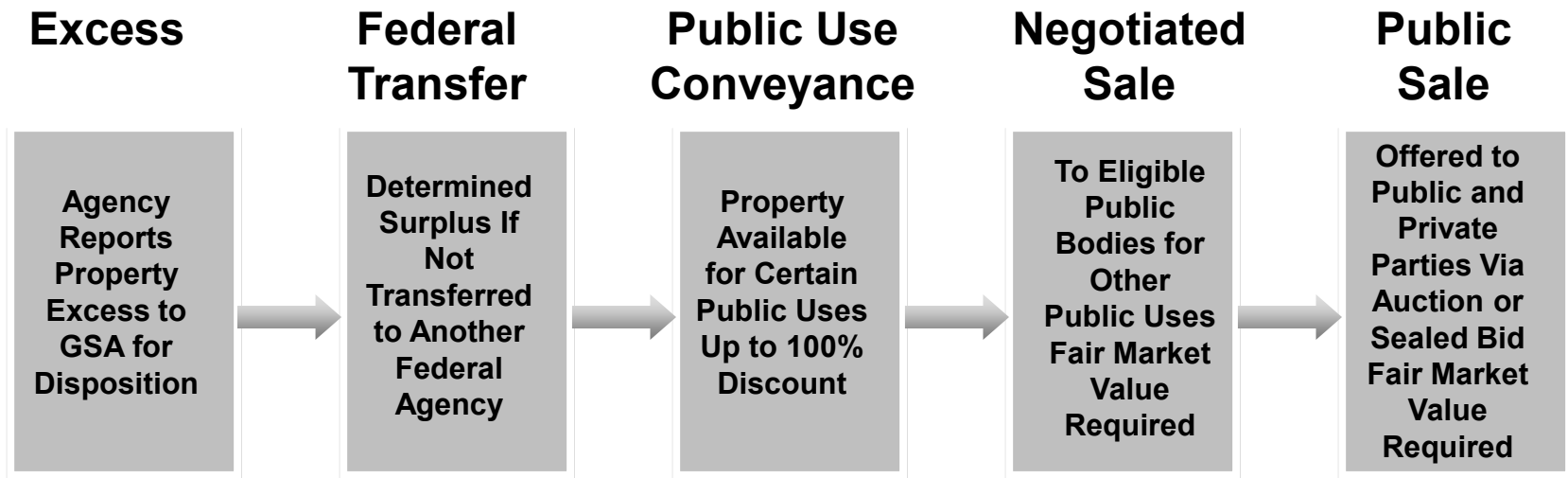
What are the Disposal Agency's specific responsibilities concerning the disposal of Surplus Property?

- ▶ The Disposal Agency must:
 - Determine that there is no further Federal need or requirement for the excess real property, and that the property is surplus to the needs of the Federal Government
 - Consider the availability of real property for public purposes on a case-by-case basis based on highest and best use and estimated fair market value
 - Expeditiously make the surplus property available for; (i) acquisition by State, local governmental units, or non-profit institutions, or (ii) for sale by public advertising, negotiation, or other disposal action
 - Identify the presence of hazardous substance activity in the Offer to Purchase and conveyance documents

How can Federal Agencies obtain Property Disposal Services?

- ▶ **Agencies without disposal authority:**
 - Must use GSA as their disposal agent.
 - An agency will prepare a Report of Excess package and submit it to GSA for disposal action.
- ▶ **Agencies with GSA delegated disposal authority:**
 - Examples of agencies with their disposal authorities delegated from GSA include the U.S. Forest Service, National Park Service, Fish and Wildlife Service, Bureau of Land Management, and the Military Services (DoD).
- ▶ **Agencies with independent disposal authority:**
 - Agencies may “hire” GSA on a reimbursable basis for various services, such as public sales, appraisals, and customized real estate asset services (e.g., Targeted Asset Reviews).

What is the Disposal Process under 40 USC, Chapter 5?



Negotiated Sale - Self-Sufficiency Parcel 13, Bethel Valley Rd, Oak Ridge, TN

- 20 acre parcel, acquired in 1943
- Undeveloped since acquisition
- Lacked public road access
- Reported excess Feb 2016
- City of Oak Ridge Industrial Development Board - interest in negotiated sale
- GSA sold to City of Oak Ridge Industrial Development Board for \$99,500

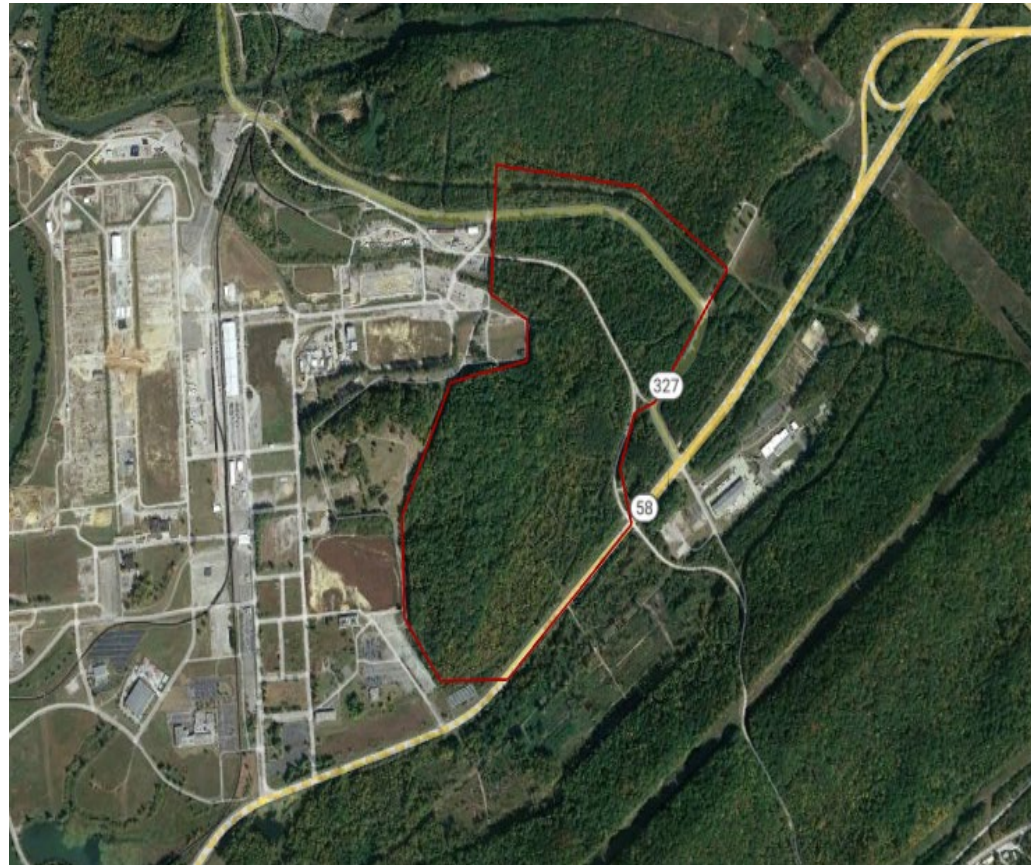


Public Airport Public Benefit Conveyance Hwy 58, Oak Ridge, TN

- 168 acre, acquired 1943
- Reported excess in 2014
- DOE caveat – convey for public airport
- FAA approved 2021
- Conveyance 4th Qtr FY23
- Finalization of deed pending

Challenges:

- Complexity – FAA approvals & requirements



Park Public Benefit Conveyance, Corner of Admin/Laboratory Rd, Oak Ridge, TN

- .66 acres, acquired 1943
- Conveyed to City of Oak Ridge for Park & Rec
- Planned use: parking & food vendors for adjacent soccer field
- Assigned to NPS: January 28, 2016



Challenges:

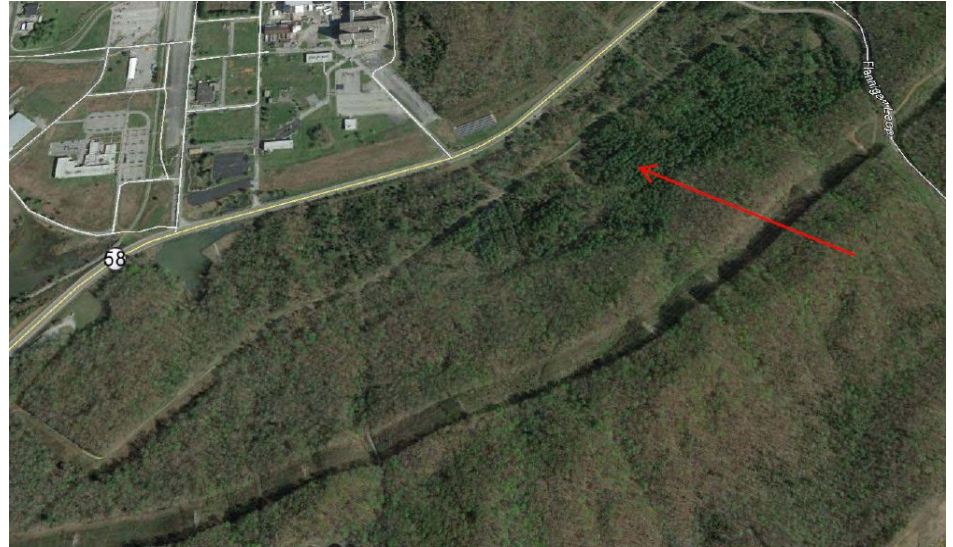
- Corner lot – ingress/egress restricted
- Parcel was too small to allow construction of a structure
- Parcel was 10 feet below Laboratory Road except for NE corner

Public Auction, Former Happy Valley Campsite, Oak Ridge, TN



Public Auction, Former Happy Valley Campsite, Oak Ridge, TN, *cont'd*

- 168 acres, acquired 1943
- Campsite dismantled 1950s
- Visitor observation shelter
- Online public auction
- Conducted 6/19 – 8/21/2015
- 2 bidders/10 bids
- Starting Bid: \$275,000
- High Bid \$391,000 (above FMV)
- Challenges:
 - Bisected by sanitary sewer line
 - DOE prohibited residential/educational. Market demand was residential
 - Soil stability – burial of debris from demo of campsite



Public Auction, Parcel G

Bethel Valley Rd, Oak Ridge, TN

- 20.96 acres, acquired 1943
- Homeless interest
(no applications)
- City interest – econ development
(withdrawn)
- Online public auction
- Conducted 5/25 – 8/19/2017
- 5 bidders
- Starting Bid: \$99,000
- High Bid \$403,000 (above FMV)
- Challenges:
 - Wetlands
 - Groundwater Restriction
 - Endangered Species (various bat species)
 - Access Easement to be retained by the DOE





Federal Real Property: Asset Management Strategies



Omaha Soils Lab

Omaha, NE

Landholding Agency: U.S. Army Corps of Engineers

Point Pleasant DEPOT

Point Pleasant, WV

Landholding Agency: GSA

Monticello Processing and Disposal Site

San Juan County, UT

Landholding Agency: DOE



BALANCING ACT:
an attempt to
cope with several
often conflicting
factors or
situations at the
same time.

Real Property: Considered High Risk

■ March 6, 2019 High-Risk Series Update

“Since federal real property management was placed on the High-Risk List in 2003, the federal government has given high-level attention to this issue; however, federal agencies continue to face long-standing challenges, including:

- (1) Effectively disposing of excess and underutilized property,
- (2) Relying too heavily on leasing,
- (3) Collecting reliable real property data for decision making, and
- (4) Protecting federal facilities.”

“Momentum has slowed, due to delayed implementation of the Federal Assets Sale and Transfer Act of 2016 (FASTA) and decreased implementation of reforms by federal agencies.”

Which Real Estate Services can GSA provide to LHAs?

- ▶ GSA provides the following real property disposal services:
 - Appraisals
 - Site Acquisition
 - Disposal Option Studies
 - Marketing Studies
 - Land Use Studies
 - Historic Compliance
 - Environmental Solutions
 - Land Surveys & Title Search
 - Outleasing
 - Disposal Leasing
 - Exchanges
 - Training
 - Retention/Disposal Studies
 - Report of Excess Assistance
 - Relocation Program
 - Targeted Asset Reviews

What is a Targeted Asset Review (TAR)?

A real estate analytic that:

- Gathers and assembles asset due diligence information
- Identifies deficiencies in real property records
- Provides asset utilization recommendations
- Serves as a foundation on which a realty strategy may be built

What is the background of TARs?

- PBS introduced the TAR concept in 2002 to provide:
 - An alternative to Executive Order 12512 Real Property Utilization Surveys.
 - An approach to help agencies develop and implement sound asset management and redeployment strategies.
- Pilot-tested with the Coast Guard's Civil Engineering Unit in Miami.
- GSA has done over 325 TARs for 24 different agencies.

What is the purpose of a TAR?

A TAR is a real estate utilization study designed to assist an agency with real property asset decision making by:

- Compiling and organizing all real property information into a consolidated report.
- Understanding the relationship of an individual asset & their support of agency's mission and objectives.
- Examining current and future utilization alternatives.
- Reviewing due diligence work, which includes collecting title, environmental, historic and cultural information.
- Analyzing community real estate activity and surrounding land uses.

What is the TAR Process?

- Step 1: GSA will develop the Statement of Work (SOW) in collaboration with the Agency, and create the Independent Government Estimate.
 - SOW can be customized to particular Agency needs or unique property characteristics.
- Step 2: GSA will compete the SOW using a Blanket Purchase Agreement (BPA).
- Step 3: GSA will award the TAR and then conduct a conference call with landholding Agency and selected vendor.
- Step 4: The Contractor then conducts the TAR:
 1. Data Gathering and Records Review
 2. Site Visit
 3. Report Preparation
- Step 5: Consider Recommendations

What is included in a TAR Report?

- Size, property description, buildings, and other improvements
- Title history and all appropriate source documents
- Easements, permits, and licenses
- Environmental concerns: Lead-based paint, PCBs, asbestos, and presence/history of hazardous substances
- Historical/cultural considerations
- Community/stakeholder interests
- Recommendations for most efficient asset utilization/disposition

Results - TARs

- Approximately 70 properties have been put through the Disposal Process as result of TARs.
- Properties to be divested have gone through the Property Act or under authorities available to other agencies.
- Properties have been disposed of by various methods dependent on different end uses.
- Over \$790M in sales proceeds generated.

TAR Case Study

- U.S. Coast Guard Support Center and Family Housing, Elizabeth City, NC
- Performed by GSA Contractor
- USCG was interested in divesting of the Housing under their own authority

TAR Case Study - *continued*

- Approximately 33 acres
- 72 units of housing, in 14 buildings
- Utilities were believed to come from the main support center



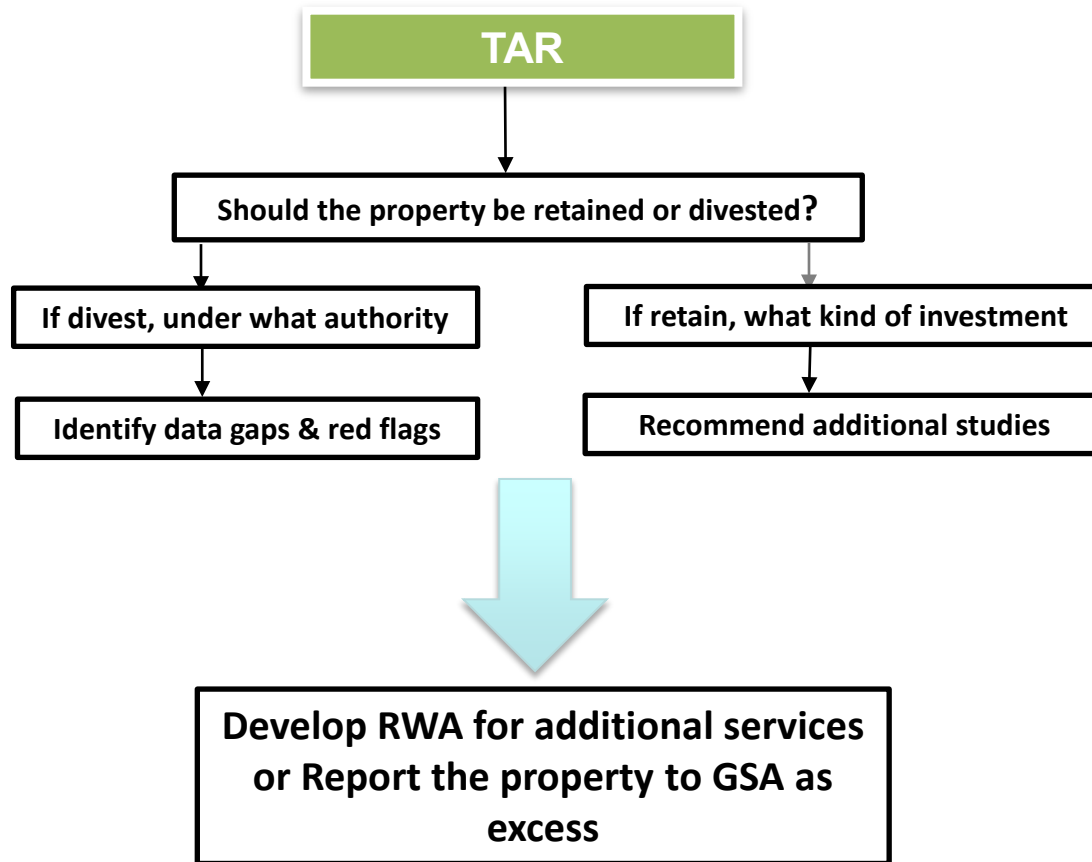
TAR Case Study - *continued*

- The study revealed the entire base was transferred from DoD.
 - Navy transferred over 500 acres to USCG in the late 1940s.
 - USCG purchased the subject 33 acres in 1974.
 - 72 units were constructed in 1976 and 1980.
- Utilities **DO NOT** come from the adjacent base.
 - Wet and dry utilities are provided by a local provider.
No separation required.
- General conditions.
 - USCG housing is surrounded by residential property.
 - No historic property, no recognized environmental issues.
 - No threatened or endangered species, no wetlands.
 - Determined to be outside the 500-year floodplain.

TAR Case Study - *continued*

- The USCG enlisted GSA Support through an RWA.
 - GSA developed environmental certifications
 - Conducted Phase I ESA & LBP assessments
 - Finalized real estate interests
 - Metes and bounds survey
 - Confirmed marketable title
- RWA included GSA's managing the entire transaction
 - Development of marketing plan & materials
 - Signage, advertisements, mass & targeted mailings
 - Website and auction format
 - Development of all deal documents
 - IFB, Contract for sale, Deed
- Managed all post award negotiations w/ high bidder(s)

What happens after a TAR?



Marketability Studies

What are Marketability Studies?

Provides marketing strategy for repositioning alternatives and identifies options for optimal results.

Assessment of:

- Surrounding market factors:
 - Area demand for space (absorption rates)
 - Local rental rates
 - Area vacancy rates
 - Development activity

Who is Involved?

- GSA partners with customer agency to develop path forward.
- GSA utilizes it's contract vehicles to select a contractor for the effort.
- Award can be lowest price/technically acceptable (LPTA) or best value.
- Contractor can assist with marketing efforts, including advertising, identifying potential bidders, hosting open houses, etc...

What Does It Include?

- Analysis of local real estate market
 - Vacancy and absorption rates
- Community data
 - Population growth
 - Local industry
- Recommendations for target marketing and mass strategies
- Available incentives
 - From local zoning and planning – entitlement authority
 - Favorable tax treatment
 - Broker's commissions

SSA Metro West, Baltimore, MD



Marketability Study Case Study

- Built specifically to needs of SSA
- Landholding agency: GSA's PBS
- Approximately 11 urban acres of land, improved with 1.1 million SF building
- Analysis acknowledged potential of constrained market interest due to instability attributable to the previous summer's riots in the immediate area

Marketability Study Case Study - *continued*

- Applied Recommendations:
 - Target large institutional users/developers
 - Coordinate closely with city offices to create buyer/developer incentives
 - Provide buy-side broker's commission out of proceeds
 - Hire a commercial broker for national ad placement, signage, open houses and tours, mass and targeted marketing

Reimbursable Work Authorizations (RWAs)

What is a Reimbursable Work Authorization (RWA)?

An agreement between GSA and a LHA that identifies a service(s) to be completed by GSA. A RWA is the agreement that allows LHAs to obligate funds to cover the cost of the GSA provided service(s).

- The RWA agreement is executed using form GSA 2957PD.
- The electronic billing, collection, and transfer of funds is done via the Intra-Governmental Payment and Collection (IPAC) System.
- Multi-task RWAs are usually supported with an overarching MOA.

What is the purpose of an RWA?

An RWA is a means for a LHA to contract for single or multiple discounted realty services supported by GSA blanket purchase agreements (BPAs), utilizing:

- Triple discounted realty service contracts
- Nationwide coverage of local markets
- Respected and renown realty service providers providing any desired realty service
- RWAs are for actual costs

What is the RWA Process?

- Step 1: GSA will develop the Statement of Work (SOW) in collaboration with the LHA, and create the Independent Government Estimate. If the LHA requires multiple services, GSA may set up a Programmatic Memorandum of Agreement (MOA), and utilize multiple RWAs.
 - SOW can be customized to particular Agency needs or unique property characteristics.
- Step 2: GSA will compete the SOW using a Blanket Purchase Agreement (BPA).
- Step 3: GSA will award the service and then conduct a conference call with landholding Agency and selected vendor.
- Step 4: The Contractor then conducts the contracted service(s).
- Optional Step 5: GSA can provide a review of the service, i.e., an appraisal report.

Completing the RWA Form

- An RWA is set up using RWA Form: GSA 2957 PD (REV. 10/2016).
- For assistance contact the GSA Zonal Office that is in the geographic area for the service or GSA Central Office for portfolio services.

Real Property Exchanges

- Authorized by 40 U.S.C. § 543, “Any executive agency designated or authorized by the Administrator to dispose of surplus property may do so by sale, **exchange**, lease ... for cash, credit or other property.”
- A real property exchange:
 - Is a negotiated two part transaction: Acquisition of a new property in exchange for current property.
 - Often includes property and other cash consideration.
 - Must ensure proper due diligence is performed on property to be acquired.

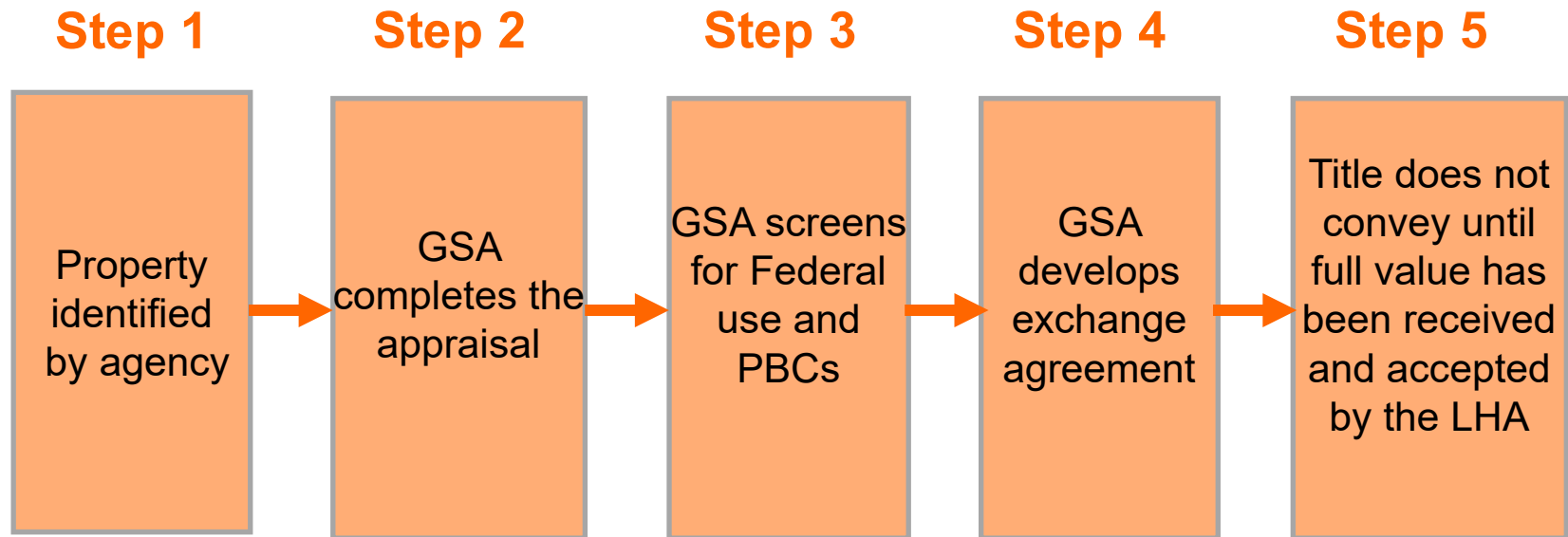
What are the benefits of using the Exchange Authority?

- Satisfies agency mission needs through acquisition of a more suitable property that meets that agency's needs
- Enables LHAs to realize equity from a property
- Competitively or sole source

What are the criteria to determine if an exchange is a viable disposal option?

- A mission need for the acquired property
- Requires value for value, cash equalization may be necessary

What is the process for using the Exchange Program?



What is the role of the LHA in an exchange?

- Identifies an exchange candidate pre-ROE, if possible, but it is not a requirement
- Determines the preferable option for the exchange
- Submits a Report of Excess package, noting the exchange request
- Performs the due diligence to ensure exchange property is acceptable
- Executes acquisition documents

What is the role of the Disposal Agency (GSA) in an exchange?

- Guides the exchange effort
- Processes the ROE package
- Performs necessary screenings
- Establishes fair market value and validates compensation
- Develops and negotiates exchange agreement
- Executes conveyance documents

Property Exchange Case Study



- Center for Disease Control (CDC), Puerto Rico
- New Train line planned to bisect existing CDC facility
- GSA worked with CDC and the Commonwealth to exchange the CDC building with a facility that the Commonwealth had custom built in a new location.

Exchange Criteria

Criteria	
1) Does the agency still have a mission need associated with said property?	Not necessarily.
2) Must the property be identified as a candidate before the ROE?	No, but should.
3) Must the new property be in the same geographic area?	Not necessarily.
4) Does the said property need to be screened?	Yes
5) Are there any value restrictions associated with the transaction?	Yes, must be at least a 1:1 ratio of value for said property vs. value of compensation that could be property, and/or cash.
6) How many transactions are involved?	One part – exchange of said property with equivalent value of compensation that could be property, and/or cash.

Abandonment, Destruction or Donation to Public Bodies

**FMR Subchapter C
Part 102-75
Subpart E
102-75.990 through 102-75.1050**

When is it appropriate to Abandon, Destroy or Donate (A.D.D.) real property?

Per FMR §102-75.990:

Type of Transaction	On Govt-Owned Land	On Privately Owned Land
Abandonment	No	Yes
Destruction	Yes	Yes
Donation to Public Bodies	Yes	Yes

All actions must be documented with supporting documents, reports, analyses, photos, determination of findings with appropriate signature(s), and any GSA concurrences.

Prerequisites that apply to ADD

- ▶ Property is not dangerous to public health or safety
§102-75.995
- ▶ Agencies must address and comply with laws affecting the disposal of excess real property, e.g., McKinney-Vento Homeless Act, National Environmental Policy Act, etc.
- ▶ Does not apply to surplus property assigned for disposal to Dept. of Education OR Health and Human Services **§ 102-75.1050**

Prerequisites that apply to ADD, *cont'd*

- ▶ A written finding by an **authorized official**, not directly accountable for the property, stating that the property:
 - ▶ a) Has no commercial value, OR
 - ▶ b) The estimated carrying cost > the estimated proceeds from its sale; and **§102-75.990, §102-75.1000 , §102-75.1005**
- ▶ Approval of the proposed action by a **reviewing authority**, IF the estimated FMV > \$50k. **§ 102-75.1010**

Donations of Improvements or Land or Both to a Public Body

- ▶ Requires GSA concurrence if:
 - ▶ Land is included OR
 - ▶ The estimated FMV of improvements or related personal property > \$250k. **§102-75.1015**
- ▶ The receiving public body must pay all disposal costs, such as dismantling, removal, and cleanup. **§ 102-75.1020**

Disposal of Improvements via Abandonment or Destruction

- ▶ Requires prior GSA concurrence if:
 - ▶ Improvements are of a permanent type construction OR
 - ▶ Retention would enhance the value of the land if made available for sale or lease. **§ 102-75.1035**
- ▶ Requires a written finding by an authorized official that donation to a public body is not feasible. However, must donate if it becomes feasible before the actual abandonment or destruction. **§ 102-75.1025**
- ▶ Requires that the Abandonment or Destruction:
 - ▶ Not be detrimental or dangerous to public health or safety AND
 - ▶ Not infringe on the rights of other persons **§ 102-75.1030**

Disposal of Improvements via Abandonment or Destruction, *cont'd*

- ▶ Requires public notice, which includes an offering of the property for sale, UNLESS:
 - ▶ The value is so low or the carry cost so great that retaining the property to post notice is not economical or
 - ▶ Health, safety or security factors require immediate abandonment or destruction or
 - ▶ The agency mission may be jeopardized by delay AND
 - ▶ An authorized official finds in writing w/respect to any of the previous three bullets, that public notice for sale is not appropriate and a reviewing official approves this finding. **§102-75.1040, §102-75.1045**

What begins the process for Abandoning, Destroying or Donating real property?

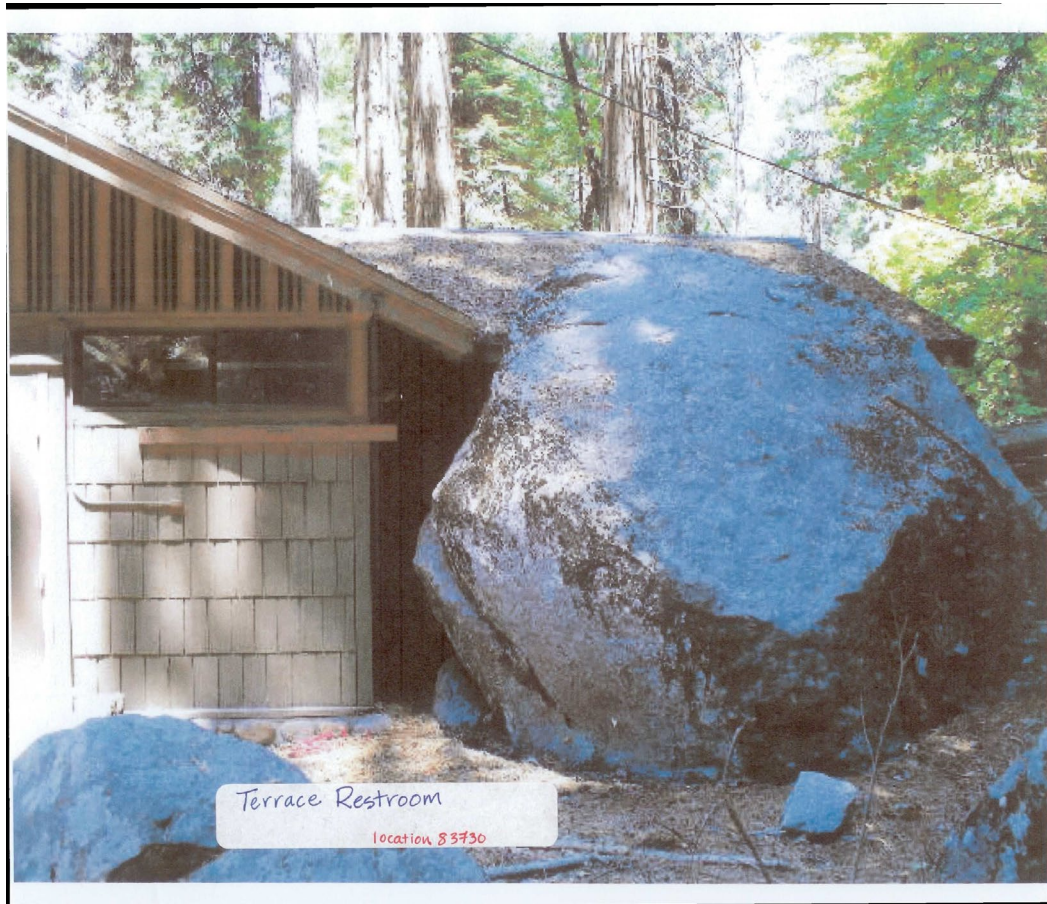
- Written approval with documentation and analysis, must come from an agency authorized official.
- A reviewing authority-GSA must approve determinations, if the current estimated fair market value exceeds \$50,000.
- Agency must attach written Determination of Findings with appropriate signature(s) and provide photos of the structure(s).
- Request and Determination of Findings are sent to the appropriate GSA Regional Disposal Office.

Case Study: St. Croix Scenic Riverway National Park Offsite Removal

- 1,400 sf Log Cabin
- Built 1967
- Screened for Homeless
- On-line Auction
- Sold for \$50
- Required \$5,000 special deposit to cover any non-performance issues
- Saved NPS thousands of dollars



Case Study: Curry Village, Yosemite National Park



Case Study: Curry Village, Yosemite National Park

- NPS requested GSA concurrence to demolish 71 bldgs.
- Buildings declared unsafe and closed to the public due to rock and tree falls. Deer & mice entered the buildings causing an outbreak of Hanta Virus.
- Relocation was not an option due to cost of energy code compliance, hazmat remediation, and size of structures.
- GSA concurred on demolition.
- Materials with historic value were salvaged. Remaining material was recycled to its fullest extent.
- Personal property was disposed of via GSA's personal property procedure – GSAXess.com.

How to Review an Asset for Repositioning

- Understand property constraints – deed, title, environmental condition, ingress/egress, surrounding land use, restrictions (historic/environmental)
- Obtain an appraisal – accurately define appraisal “problem”/assignment
- Appraisal provides Highest & Best Use – physically possible, legally permissible, financially feasible, maximally productive
- Engage with stakeholders/market

Portfolio Management: GSA's Process

What is Real Property Portfolio Asset Management?

- ▶ Real property portfolio management develops national strategies for optimizing an agency's assets' performance in its portfolio, by analyzing and balancing:
 - Mission Need, Efficient & Effective Use
 - Market Dynamics
 - Asset's Condition & Financial Performance

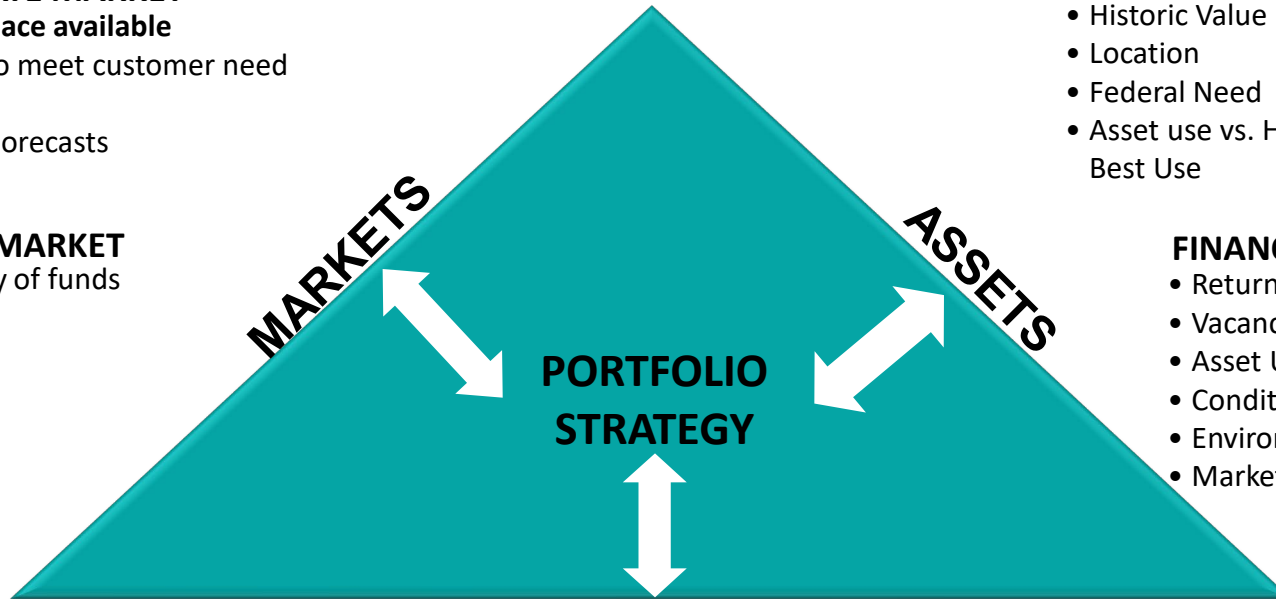
PBS Portfolio Strategy

REAL ESTATE MARKET

- **Type of space available**
Ability to meet customer need
- **Price**
Market Forecasts

CAPITAL MARKET

- Availability of funds
- Cost



STRATEGIC VALUE

- Sustainability
- Historic Value
- Location
- Federal Need
- Asset use vs. Highest & Best Use

FINANCIAL VALUE

- Return / Financial Picture
- Vacancy
- Asset Utilization
- Condition of Asset
- Environmental Risk
- Market Value

HOUSING PROFILE

- Security Requirements
- Build-out Requirements
- Community Perception
- Space Utilization

MISSION/CUSTOMERS

RISK ASSESSMENT

- Budget Constraints (incl. move costs)
- Political Environment
- Space Trends
- Mission Change

Asset Diagnostics

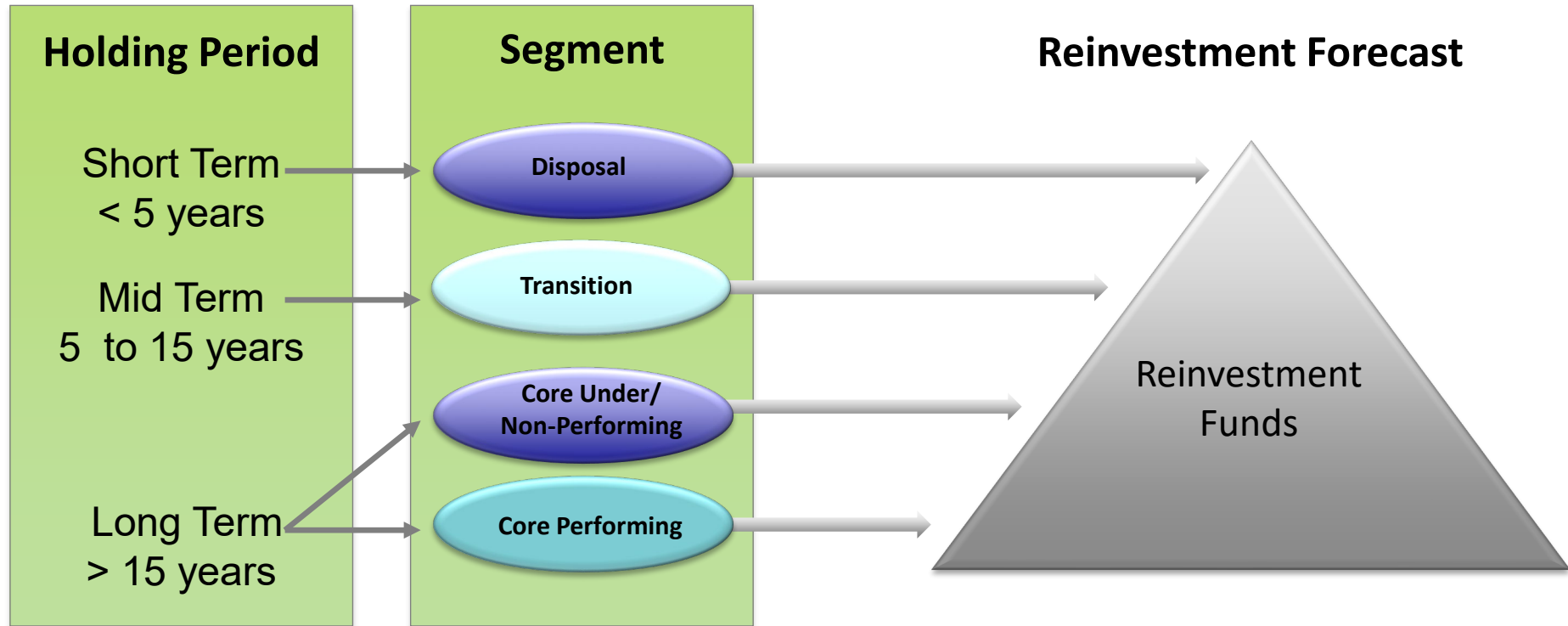
To assess the condition, financial performance and utilization of GSA's owned properties.



What is PBS Looking For?

- Where are its assets that are aligned/misaligned with its portfolio objectives?
- In which markets or assets are there opportunities to improve performance and maximize value?
- Where should it steer/prioritize limited resources (money, studies, reviews, manpower)?
- In pursuit of a balanced, sustainable portfolio, where should it look to reposition assets?
- Push to ACTION; Proactive where possible.

Portfolio Restructuring Initiative Process



Factors Shaping the Future of Real Estate



The “great resignation” and its impact on how we compete for talent



Artificial intelligence and automation pushing human work up the value chain



Expansive adoption of telework and how it will transform the workplace



Resource scarcity and climate change are changing industry practices



Supply chain impediments and inflation are applying downward pressure on costs, availability of goods, and project schedules



Physical security and cybersecurity threats are increasing



Stakeholders demand for greater transparency

GSA's resources for our customers...

<http://disposal.gsa.gov/>

U.S. General Services Administration

REAL PROPERTY UTILIZATION AND DISPOSAL
U.S. General Services Administration

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The Federal government is the single largest owner of real property in the United States. Whether you represent a Federal landholding agency or you're a citizen looking to purchase Federal real estate, GSA's Office of Real Property Utilization and Disposal is here to handle your Federal real estate acquisition, utilization and disposal.

Current Sales and Business Opportunities

Brown, TX Seal Beach, CA Dallas, TX Ft. Walton Beach, FL

Available Properties

Federal Government Real Estate - From office buildings to single-family homes, the U.S. Government may have the property you need.

State: ALL Property Type: ALL search

Legend: ALL Sales Multi-Property Sales Homeless Notices Lighthouse Notices Surplus Notices Excess Notices

Map | Satellite

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Federal Agency Customer

State & Local Public Buildings

McKinney-Vento Homeless Assistance

Lighthouse Program

Environmental Information

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Acquiring Federal Real Estate for Public Uses

GSA

GSA Office of Real Property Utilization and Disposal

Environmental Framework for Real Property Disposal

Questions?

