

**PROSPECTUS – LEASE
DEPARTMENT OF HEALTH AND HUMAN SERVICES,
DEPARTMENT OF COMMERCE,
AND
FEDERAL HOUSING FINANCE AGENCY
CHICAGO, IL**

Prospectus Number: PIL-01-CH20
Congressional District: IL-07

Executive Summary

The General Services Administration (GSA) proposes a lease extension of up to 3 years for 184,042 rentable square feet (RSF) for the U.S. Department of Health and Human Services (HHS), U.S. Department of Commerce–International Trade Administration (ITA), and Federal Housing Finance Agency (FHFA), currently located at 233 N. Michigan Avenue, Chicago, IL. HHS has occupied space in the building since 12/1/2010 under a lease that expires on 11/30/2020. ITA and FHFA moved to this location after the lease commenced.

Extension of the current leases will enable HHS, ITA, and FHFA to provide continued housing for current personnel and meet their current mission requirements. The agencies will maintain the office and overall utilization rates at 176 and 328 usable square feet (USF) per person respectively.

Description

Occupant:	HHS, ITA, and FHFA
Lease Type:	Lease Extension
Current RSF:	184,042 (Current RSF/USF = 1.18)
Estimated/Proposed Maximum RSF:	184,042 (Proposed RSF/USF = 1.18)
Expansion/Reduction RSF:	None
Current USF/Person:	328
Estimated/Proposed USF/Person:	328
Expiration Dates of Current Lease(s):	11/30/2020
Proposed Maximum Leasing Authority:	3 years
Delineated Area:	Chicago Central Business District
Number of Official Parking Spaces:	32
Scoring:	Operating
Current Total Annual Cost:	\$6,016,078 (lease effective 12/01/2010)
Estimated Rental Rate ¹ :	\$38.94 / RSF
Estimated Total Annual Cost:	\$7,166,595

¹ This estimate is for fiscal year 2021 and may be escalated by 2.0 percent per year to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced including all operating expenses, whether paid by the lessor or directly by the Government. GSA will conduct the procurement using prevailing market rental rates as a benchmark for the evaluation of competitive offers and as the basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government.

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Background

HHS's mission is to enhance the health and well-being of all Americans by providing for effective health and human services and by fostering sound, sustained advances in the sciences underlying medicine, public health, and social services. ITA's mission is to create prosperity by strengthening the international competitiveness of U.S. industry, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements. FHFA was established by the Housing and Economic Recovery Act of 2008 and is responsible for the effective supervision, regulation, and housing mission oversight of Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System.

Justification

The current lease expires on 11/30/2020, and the agencies require continued housing at this location to carry out their missions until the long-term action is completed. HHS will relocate to a lease at a significantly reduced footprint and below the prospectus threshold. GSA is working with both ITA and FHFA to relocate these agencies to federally owned space at a reduced square footage.

A 3-year lease extension will provide HHS, ITA, and FHFA sufficient time to accomplish their relocation plans and budget for move costs accordingly. GSA will attempt to negotiate a flexible lease term of 3 years with termination rights after the first year to provide flexibility for future plans.

Resolutions of Approval

Resolutions adopted by the House Committee on Transportation and Infrastructure, and the Senate Committee on Environment and Public Works approving this prospectus will constitute approval to make appropriations to lease space in a facility that will yield the required rentable area.

Interim Leasing

GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the extension. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

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Certification of Need

The proposed project is the best solution to meet a validated Government need.

Submitted at Washington, DC, on September 12, 2019.

Recommended:


Commissioner, Public Buildings Service

Approved:


Administrator, General Services Administration