Federal office and court buildings can play a critical role in the life of a city: they can comprise a sizable percentage of a downtown’s office space, often occupy locations of special economic and historic importance, and draw the public downtown, whether to do business with the government, to take part in legal proceedings, or join in a civic event.

Increasingly, however, that space is not in buildings that the federal government owns. Now when federal agencies need new space, GSA is likely to lease it on the open market, or contract for it through what is called a “build-to-suit” or “lease-build” process: In essence, GSA will offer a long-term lease to a private developer who will design and build space to suit the federal government, and will own and manage the building while the federal agency occupies it.

The lease-build process speeds up the government’s ability to provide new space for its agencies—it is easier for GSA to fund annual lease payments than the upfront cost of new buildings through direct capital appropriations. But the process complicates GSA’s ability to fulfill its mandates for promoting livable communities, since the selection of sites and the design of the building can depend on what developers propose in the bid process.

Nevertheless, GSA staff are becoming successful at melding community planning and livability concerns to the contracting process. In some cases, this means modifying the requests for proposals to make community concerns more explicitly. In others, it means doing upfront planning, sometimes with the selected team, sometimes before a solicitation is ever made.

Cleveland: Criteria for Livability

GSA’s Great Lakes Region was one of the first to collaborate with the Center for Urban Development on a lease-build project, in this case for a new FBI building in Cleveland. There, the FBI had outgrown its space in a downtown federal building, and wanted to build a new stand-alone facility nearby.

Regional staff thought that incorporating community livability standards into the “solicitation for offers”—the document that seeks proposals from developers—would result in a project that had a better chance of winning public support. So they asked GSA’s Center for Urban Development to suggest “livability” language that could be included in the formal solicitation, which meant that each developer’s proposal would be evaluated, in part, in terms of how well it addressed city concerns. In addition, a community planning consultant to the Center for Urban Development was assigned to the team that interviewed development teams and recommended who the contractor should be.

After the first round of interviews, the selection team met with Cleveland city planning director Hunter Morrison to discuss the city’s thoughts about the project. The development teams were also encouraged to meet with city officials themselves, then to incorporate feedback from the selection team and from the city into their final proposals.

Project manager Latrice Robinson said the criteria helped federal staff take a “fresh look” at the project. “When you’re working with the FBI, the first thing you think about is security. You’re not thinking about how people who are walking over from the federal building is going to access the facility. You’re not thinking, ‘How does it look to someone who is passing by?’”

The process was also unusual in that the procurement was split into two phases: the first stage involved identifying a site for the building, the
second involved proposals for developing the site. This allowed for better decisions to be made about both the location and the design of the building, Robinson explained. “This eliminated the situation where you have a developer with a great design but a poor site, or a great site but a poor design.”

What is not clear, Robinson said, is how to best incorporate the city’s concerns into a project such as this. Bringing together potential developers for a workshop at the wrong stage of the process could conflict with provisions that require the proposals to be kept confidential from each other.

**Helena: Guidelines and Guidance**

For many years, a federal courthouse and office building helped anchor downtown Helena. Now, through close collaboration between GSA’s Rocky Mountain Region staff, the city and state government, new federal facilities are helping to anchor a newly emerging part of downtown.

Federal courts and offices in Helena have been located in the heart of downtown for decades, at one end of the city’s pedestrian mall. By the late 1990s, though, it was clear those facilities would have to move: the government’s lease for the space was coming up and the building did not meet current criteria for seismic safety.

GSA, recognizing that there was little comparable space to lease downtown, began consulting with local officials to evaluate the options. The city identified a site in a newly developing part of town that could accommodate two new buildings for the courts and offices.

To develop the “solicitation for offers” that would be used to find a developer for the site, GSA continued its collaboration with local officials. The city hired a local architect who worked with GSA and city staff to develop design guidelines for the site, which were incorporated into the request for proposals sent out to developers.

When the responses came in, the city was consulted, too. “We had a peer review from people in Helena, architects, so they could come in and review the design guidelines we were establishing,” said project manager Lynne Jones. “As we got offers in from different developers, we would carry them up to Helena and gather a team. We’d go over each offer to make sure it met design guidelines, and if it didn’t, why not. We did the same thing when the best and final offer came in, and when we were ready to award the contract.”

At the same time it was searching for a developer, GSA convened the community to address how the federal buildings would connect to other development that had occurred in the area or was on the drawing boards. City economic development director Michael Barrows said he wanted to talk about getting art between these buildings, “I said, it looks like you’ve got an area that needs to be improved. So what started as looking at public art for the alleyway turned into a look at this whole neighborhood.”

GSA also had to work to help tenant agencies understand the advantages, and potential, of the new location. “There were mixed emotions about the site. People were concerned about parking, restaurants become an issue. It took a lot of persuasion from the GSA, the developers and the city, to say ‘You guys move here and businesses will follow, and there will be parking,” Jones said.

**Ogden: Long-term Coordination**

When you call the Internal Revenue Service to ask a question about your tax return, there’s a good chance your call will land in Ogden, Utah, where the IRS maintains one of its largest service centers.

Currently, some 800 employees work in one million square feet of space split between two locations outside the city. The IRS wants to consolidate its operations in one place and to expand, but discovered that doing so on the federal property it occupies just outside the city limits would be problematic. The site, it turns out, is adjacent to a nature center, whose officials were concerned about the impact that a hundreds of new workers and a multi-story building would have on their facility.

Ogden, with a fresh new mayor and economic development director, seized the initiative, offering to find space downtown for the IRS. Though the agency was initially not pleased, it became persuaded that the city would be able to help it
meet its long-term goals for space, and Ogden identified a site that could accommodate 135,000 s.f. of new offices, next to a downtown transit center, and a block or two from a historic district and the city’s minor-league baseball stadium.

Once GSA agreed to move to the site the city recommended, GSA held a “partnering session” with local officials and nearby property owners to plan out the development process. “We wanted to comply with as much of what the city wanted as we could,” project manager Tammy Eatough said.

That meant making adjustments to ensure communication and follow-through every step of the way. GSA incorporated a range of design considerations in the SFO—from local zoning requirements to site design and landscaping considerations to suggestions for the kinds of materials used in the building. GSA also involved staff from the city and local utilities at a pre-bid conference, to answer developers’ questions, and involved a city official on the source selection team.

Once the developer’s “best and final offer” was accepted, and negotiations between the developer and the city over control of the site were complete, GSA’s Rocky Mountain Region convened a workshop that gathered city staff, local businesses, civic leaders and GSA resource staff to look at the site design more carefully. The group developed recommendations for orienting the building on the site, making the food service accessible to the public as well as IRS workers, public spaces adjacent to the building, and pedestrian connections to the rest of the city.

One critique of the workshop is that it came too late in the process; by the time a developer’s “best and final offer” is accepted, basic design considerations such as the template and location of the building have already been determined. Indeed, this fall, the region sponsored a second workshop to tackle a series of IRS relocations that are likely to occur in the next few years. “We were able to make some change, but especially when you’re doing something drastic to a downtown, it would be better to have more of these discussions upfront, so what you offer will be better suited to the downtown.”

**Building in Place**

The lease-build process changes the dynamics of working with communities in the development of new federal facilities. While GSA has less direct control of a project than it would if the federal government were constructing the building itself, cities have a greater ability to influence projects through conventional redevelopment, zoning and urban design techniques. The projects profiled here indicate that GSA is developing an expanding toolkit of techniques for shaping lease-build projects that support local communities.

*Consider siting and design decisions separately.* Each of these projects followed, in essence, a two-stage process for identifying a location and contracting for space. Breaking the decision down allows for different levels of impact to be addressed more appropriately—locational decisions, for example, can help reinforce economic patterns or take advantage of transit resources, while site design considerations can help address pedestrian connections and public and employee amenities.

*Be as explicit as possible.* Including design guidelines or requirements in the GSA’s solicitation for offers does not make the contracting process more difficult, field staff consistently report. In fact, in Helena, including city design guidelines in the government solicitation helped establish confidence in the project, Jones said. “They knew the city was on the same page we were. The ground rules were established from the very beginning, and they weren’t subjective—a lot of times there is no clear basis for a design not being accepted.”

*Set the table, and get the right players there.* Because of the significant impact federal investment can have in a community, early and frequent communication with local representatives is important. GSA’s moves in Helena and Ogden, for example, had critical implications for those downtowns. By communicating its agenda early on, and by collaborating with officials from the city and other public agencies, as well as local businesses, institutions and residents, GSA could make decisions that served both its clients and the localities effectively.