

SOUTHEAST FEDERAL CENTER PUBLIC-PRIVATE  
DEVELOPMENT ACT OF 2000

APRIL 13, 2000.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

Mr. SHUSTER, from the Committee on Transportation and  
Infrastructure, submitted the following

REPORT

[To accompany H.R. 3069]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 3069) to authorize the Administrator of General Services to provide for redevelopment of the Southeast Federal Center in the District of Columbia, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Southeast Federal Center Public-Private Development Act of 2000”.

**SEC. 2. SOUTHEAST FEDERAL CENTER DEFINED.**

In this Act, the term “Southeast Federal Center” means the site in the southeast quadrant of the District of Columbia that is under the control and jurisdiction of the General Services Administration and extends from Issac Hull Avenue on the east to 1st Street on the west, and from M Street on the north to the Anacostia River on the south, excluding an area on the river at 1st Street owned by the District of Columbia and a building west of Issac Hull Avenue and south of Tingey Street under the control and jurisdiction of the Department of the Navy.

**SEC. 3. SOUTHEAST FEDERAL CENTER DEVELOPMENT AUTHORITY.**

(a) **IN GENERAL.**—The Administrator of General Services may enter into agreements (including leases, contracts, cooperative agreements, limited partnerships, joint ventures, trusts, and limited liability company agreements) with a private entity to provide for the acquisition, construction, rehabilitation, operation, maintenance, or use of the Southeast Federal Center, including improvements thereon, or such other activities related to the Southeast Federal Center as the Administrator considers appropriate.

- (b) **TERMS AND CONDITIONS.**—An agreement entered into under this section—
- (1) shall have as its primary purpose enhancing the value of the Southeast Federal Center to the United States;
  - (2) shall be negotiated pursuant to such procedures as the Administrator considers necessary to ensure the integrity of the selection process and to protect the interests of the United States;
  - (3) may provide a lease option to the United States, to be exercised at the discretion of the Administrator, to occupy any general purpose office space in a facility covered under the agreement;
  - (4) shall not require, unless specifically determined otherwise by the Administrator, Federal ownership of a facility covered under the agreement after the expiration of any lease of the facility to the United States;
  - (5) shall describe the consideration, duties, and responsibilities for which the United States and the private entity are responsible;
  - (6) shall provide—
    - (A) that the United States will not be liable for any action, debt, or liability of any entity created by the agreement; and
    - (B) that such entity may not execute any instrument or document creating or evidencing any indebtedness unless such instrument or document specifically disclaims any liability of the United States under the instrument or document; and
  - (7) shall include such other terms and conditions as the Administrator considers appropriate.
- (c) **CONSIDERATION.**—An agreement entered into under this section shall be for fair consideration, as determined by the Administrator. Consideration under such an agreement may be provided in whole or in part through in-kind consideration. In-kind consideration may include provision of space, goods, or services of benefit to the United States, including construction, repair, remodeling, or other physical improvements of Federal property, maintenance of Federal property, or the provision of office, storage, or other usable space.
- (d) **AUTHORITY TO CONVEY.**—In carrying out an agreement entered into under this section, the Administrator is authorized to convey interests in real property, by lease, sale, or exchange, to a private entity.
- (e) **OBLIGATIONS TO MAKE PAYMENTS.**—Any obligation to make payments by the Administrator for the use of space, goods, or services by the General Services Administration on property that is subject to an agreement under this section may only be made to the extent that necessary funds have been made available, in advance, in an annual appropriations Act, to the Administrator from the Federal Buildings Fund established by section 210(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)).
- (f) **NATIONAL CAPITOL PLANNING COMMISSION.**—
- (1) **STATUTORY CONSTRUCTION.**—Nothing in this section may be construed to limit or otherwise affect the authority of the National Capital Planning Commission with respect to the Southeast Federal Center.
  - (2) **VISION PLAN.**—An agreement entered into under this section shall ensure that redevelopment of the Southeast Federal Center is consistent, to the extent practicable (as determined by the Administrator), with the objectives of the National Capital Planning Commission’s vision plan entitled “Extending the Legacy: Planning America’s Capital in the 21st Century”, adopted by the Commission in November 1997.
- (g) **RELATIONSHIP TO OTHER LAWS.**—
- (1) **IN GENERAL.**—The authority of the Administrator under this section shall not be subject to—
    - (A) section 321 of the Act of June 30, 1932 (40 U.S.C. 303b);
    - (B) sections 202 and 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483, 484);
    - (C) section 7(a) of the Public Buildings Act of 1959 (40 U.S.C. 606(a)); or
    - (D) any other provision of law (other than Federal laws relating to environmental and historic preservation) inconsistent with this section.
  - (2) **UNUSED OR UNDERUTILIZED PROPERTY.**—Any facility covered under an agreement entered into under this section may not be considered to be unused or underutilized for purposes of section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411).

**SEC. 4. REPORTING REQUIREMENT.**

- (a) **IN GENERAL.**—Before entering into an agreement under section 3, the Administrator of General Services shall transmit to the Committee on Transportation and

Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the proposed agreement.

(b) CONTENTS.—A report transmitted under this section shall include a summary of a cost-benefit analysis of the proposed agreement and a description of the provisions of the proposed agreement.

(c) REVIEW BY CONGRESS.—A proposed agreement under section 3 may not become effective until the end of a 30-day period of continuous session of Congress following the date of the transmittal of a report on the agreement under this section. For purposes of the preceding sentence, continuity of a session of Congress is broken only by an adjournment sine die, and there shall be excluded from the computation of such 30-day period any day during which either House of Congress is not in session during an adjournment of more than 3 days to a day certain.

#### SEC. 5. USE OF PROCEEDS.

(a) IN GENERAL.—Net proceeds from an agreement entered into under section 3 shall be deposited into, administered, and expended, subject to appropriations Acts, as part of the fund established by section 210(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)). In this subsection, the term “net proceeds from an agreement entered into under section 3” means the proceeds from the agreement minus the expenses incurred by the Administrator with respect to the agreement.

(b) RECOVERY OF EXPENSES.—The Administrator may retain from the proceeds of an agreement entered into under section 3 amounts necessary to recover the expenses incurred by the Administrator with respect to the agreement. Such amounts shall be deposited in the account in the Treasury from which the Administrator incurs expenses related to disposals of real property.

#### SUMMARY AND PURPOSE

H.R. 3069, the “Southeast Federal Center Public-Private Development Act of 2000,” authorizes the Administrator of the General Services Administration to enter into agreements with private entities to provide for the acquisition, construction, rehabilitation, operation, maintenance or use of the Southeast Federal Center, and improvements thereon, or such other activities related to the Southeast Federal Center as the Administrator considers appropriate.

#### BACKGROUND AND NEED FOR LEGISLATION

The Southeast Federal Center, located in Washington, DC, is close to many Federal agencies, and is one mile from the United States Capitol. It is bounded by the Anacostia River on the south, and the Navy Yard on the east. Light industrial development lies to the north and west of this 55.3-acre site.

In 1791, when a plan for a new Federal city was drawn by Pierre Charles L’Enfant, much of the Southeast Federal Center was under water. Shipbuilding began in 1800, and in 1803 President Jefferson designated the Navy Yard, which encompassed the Southeast Federal Center, as the homeport of the U.S. Navy. Development flourished with wharves, warehouses and refineries.

The Navy Yard experienced three major periods of growth. Each period expanded the site with landfill of the adjacent marsh, as more land was needed. By 1890, electricity and the railroad had been added. World War I brought added buildings, and President Roosevelt emphasized the increase of the Navy, which led to greater production of naval ships. During World War II, the site was a center for ordinance production and repair of damaged naval vessels. Weapons production stopped after the war, and by 1962, all production stopped. At that time the Navy Yard was split in two, with the General Services Administration acquiring the western half of the Yard, with 19 buildings totaling 1.4 million square feet

of space. Five of these buildings remained in the Navy's control to be used for maintenance purposes. The largest was the power plant for the Navy Yard.

The area surrounding the Southeast Federal Center contains a mix of industrial, warehouse and automotive uses, public and private housing, and a considerable amount of vacant land. In the past five years, the Department of the Navy has moved several functions to the Navy Yard, resulting in an increase of over 5,000 naval personnel. Total Navy employment will exceed 12,000 when these personnel arrive. This has led to the development of two commercial office buildings to house concerns doing business with the Navy Systems Command, which will relocate to the Navy Yard next year. This site comprises over 65 acres, which added to the other publicly owned sites, comprise about two thirds of the land in the immediate area.

For the most part, the Southeast Federal Center has remained underutilized and the buildings on this land have deteriorated. There is a Federal presence, but it is mostly used for maintenance, motor pool, Federal Protective Service use, warehouse, storage, printing and security needs, and once every four years inaugural activities for the President elect. GSA commissioned a master plan, produced in 1989, which called for the development of over 5 million square feet of Federal office space, with on-site retail and parking for 5,000 cars to accommodate 23,000 Federal workers that could be located to the Center. This ambitious plan never materialized, even though GSA requested, and received over \$88 million in planning and infrastructure funds to prepare this site for Federal agencies. All but \$12 million have been rescinded. In FY 1992, GSA received \$148 million to construct a new headquarters for itself at the Southeast Federal Center. GSA is currently housed in a Federal building that was built in 1906, and has never been completely renovated. It is one of the few buildings in Washington, DC that still relies on window air conditioning units as part of its ventilation system. Those funds have also been rescinded or reprogrammed. In FY 1993, GSA received \$50 million to construct a new headquarters for the Corps of Engineers at the Southeast Federal Center. For the last 20 years, the Corps has been located in a leased facility, which caught fire in the 1980's, and virtually destroyed the Corps computer center. All but \$300 thousand of the Corps funding has been rescinded. In total, over \$268 million was appropriated for development or construction purposes at the Southeast Federal Center, and GSA was able to obligate only \$12 million. Clearly, a different approach is needed to facilitate development, and provide long term financing and resources for this long neglected site.

Part of the lack of progress was Federal agencies reluctance to relocate to the area. In 1988, GSA attempted to convince the Environmental Protection Agency to locate to the Southeast Federal Center. That effort failed. Later, the Department of Education was offered a new headquarters building at the site. That too failed. GSA offered to construct a new printing plant for the Government Printing Office, and the Bureau of Engraving and Printing. Funds never materialized. GSA offered to move there. Again, funds were rescinded. GSA has devoted considerable resources and effort to at-

tract Federal tenants, and went so far as to volunteer itself as the lead Federal tenant at the site. Congress, after appropriating the funds for this project, later rescinded those same funds. There has been a lack of long term commitment from all Federal elements to support development efforts.

In 1996 Congress appropriated \$20 million for environmental restoration. Part of the work involved the demolition of unused buildings to make the site more attractive. Other work has included the installation of a seawall, which was to have been accomplished in the earlier effort. In 1998 Congress appropriated \$10 million to finish earlier work on the environmental cleanup effort. The \$30 million is mostly obligated, and work is nearing completion. The remediation effort involves demolishing buildings, cleaning contaminated soils, replacing the original seawall, and cleaning the storm water sewer. GSA had entered into a Resource Recovery and Reclamation Act (RCRA) Administrative Consent Order, which directs GSA to complete site investigation and cleanup of the Southeast Federal Center. This year, GSA is requesting additional cleanup funds for 2.7 acres, as a result of earlier efforts. This will require an additional \$5 million in appropriations.

While these efforts are necessary and commendable, they have not resulted in the full development of the site that could take place. Earlier efforts identified over 5 million square feet of office space that could occupy this land. Recent efforts at planning recommend more mixed use and balanced development that would complement the planned and actual development under way in the general area.

H.R. 3069 will provide GSA with the authority to enter into different partnership forms with private entities to leverage private sector capital and expertise to develop this land. The bill provides GSA the ability to enter into multiple partnerships, since different developers have different strengths and expertise. GSA could also master lease the entire site, and allow a developer to enter into subsequent agreements with others for specific purposes. The bill does not obligate GSA to pay for any development at the Southeast Federal Center, nor does it obligate GSA to take space in any building constructed under this authority.

GSA may enter into different kinds of agreements, and is not favoring one form over another. The private sector will have the ability to structure agreements to meet specific needs. Some of the existing buildings are on the historic register, and could qualify for consideration under Historic Preservation. A total of seven historic buildings could be reused and have an excellent reuse potential, according to the 1989 Master Plan.

Development does not just entail the construction or renovations of buildings. Landscape, streetscape, pedestrian plazas, retail arcades and public plazas will be part of the total development effort. Public transportation, water transportation and improved vehicle accessibility in the area are crucial. The District has demonstrated a willingness to devote resources and effort to improve this area.

The bill provides broad latitude to GSA. It waives several laws pertaining to real property management with regard to the Economy Act of 1932, the Property Act of 1949, and the Public Buildings Act of 1959. The McKinney Homeless Act is also waived.

These waivers were included to ensure the goals of the legislation are met. It is essential that GSA have maximum flexibility to participate in various development proposals which are intended to add value not only to the Southeast Federal Center site, but also to the Federal real estate portfolio. For this to succeed, GSA should not be put in a position to be second guessed, or hampered by conventional authority. For example, certain sections of the Property Act of 1949 regarding property utilization and disposal are waived in order to preserve the entire site for development. The Economy Act is waived, which will allow GSA to accept in-kind payments in lieu of money for rental payments.

These are sensible waivers that will contribute to the concept of public private partnerships. In view of the need for GSA to have maximum flexibility to evaluate proposals and to participate fully in the Southeast Federal Center development, the bill provides innovative authority as an alternative to the conventional process of direct Federal construction through the appropriations process.

There is a continued need for Federal activities currently located at the Southeast Federal Center. This legislation is not designed to dislocate those activities without due consideration. GSA will be expected to accommodate current needs through hold harmless provisions, or relocate other activities more suited for industrial settings.

Other agencies have employed similar kinds of authority to achieve development objectives of under-used Federal assets. The Department of Veterans Affairs, the National Park Service, Department of Defense, and the Postal Service all have some kind of authority to partner with the private sector to develop assets under their respective custody and control. It is ironic that GSA, the landlord of the civilian branch of the Federal government, with over 380 million square feet of office, storage and special use space under its control, has the authority to either construct Federal buildings or sign operating leases for space in privately owned buildings. Beyond that, GSA has no ability to acquire space for use by the government.

This has been the case since 1990, with the imposition of scoring rules, which were part of the Budget Enforcement Act of 1990. The conference report that accompanied this legislation activated these rules. The rules make real estate transactions difficult to consummate, and have hamstrung GSA's ability to finance needed projects. In years past, GSA has had special legislation that provided purchase contract authority, and lease purchase authority on specific projects. These buildings are operational and are providing a steady stream of rent to GSA that makes up the receipts of the Federal Buildings Fund. Without this authority, GSA must rely on Federal appropriations of funds in order to construct new Federal facilities. As the history of the Southeast Federal Center attests, this is a difficult and inconsistent process.

#### DISCUSSION OF COMMITTEE BILL AND SECTION-BY-SECTION ANALYSIS

##### *Section 1. Short title*

Provides that the Act may be cited as the "Southeast Federal Center Public-Private Development Act of 2000."

*Section 2. Southeast Federal Center defined*

The site referred to in the Act, as the Southeast Federal Center is located in Southeast Washington, DC. The site extends from Issac Hull Avenue on the east, to 1st Street on the west, and from M Street on the north to the Anacostia River on the south. The Southeast Federal Center is under the jurisdiction and control of GSA. The Southeast Federal Center does not include an area on the river at 1st Street owned by the District of Columbia or a building west of Issac Hull Avenue and south of Tingey Street controlled by the Department of the Navy.

*Section 3. Southeast Federal Center Development Authority*

(a) Authorizes the Administrator of GSA to enter into unique financing arrangements with the private sector for the acquisition, construction, rehabilitation, operation, maintenance, development and improvement of the Southeast Federal Center. These arrangements may include leases, contracts, cooperative agreements, limited partnerships, joint ventures, trusts, limited liability company agreements and other arrangements the Administrator considers appropriate for improving the Southeast Federal Center. The Act provides the Administrator the ability to maximize available public and private sector resources for the development and improvement of the Southeast Federal Center.

(b) Agreements entered into under this Act shall have as its primary purpose to enhance the value of the Southeast Federal Center, shall be negotiated by the Administrator under such procedures as he considers necessary to maintain the integrity of the selection process, may provide a lease option to the Administrator to occupy general purpose office space in a facility under any agreement, and does not require Federal ownership of a facility occupied by the United States under the agreement at the expiration of any lease. The United States is not liable for any action, debt or liability associated with any agreement. A private partner with the United States may not execute any instrument or document of indebtedness unless the vehicle specifically disclaims any liability by the United States.

(c) Provides that an agreement entered into by the Administrator shall be for fair consideration and may include in whole, or in part in-kind consideration. This may include space, goods and services, including construction, repair, remodeling, or other physical improvements to Federal property. In-kind consideration may also include maintenance of Federal property or the provision of office, storage, or other usable space.

(d) The Administrator is authorized to convey interests in real property by lease, sale or exchange to a private entity.

(e) Any agreement entered into for space, goods, or services under this bill, may only be made to the extent that necessary funds have been made available, in advance, in an annual appropriations act from the Federal Buildings Fund.

(f) Nothing in the bill is intended to limit or affect the authority of the National Capital Planning Commission and redevelopment plans must be consistent with the objectives of the National Capital Planning Commission's vision plan "Extending the Legacy: Planning America's Capital in the 21st Century."

(g) For purposes of redeveloping the Southeast Federal Center the Administrator may take in-kind payment in lieu of money for rent and may include in a lease any provision for the alteration, repair or improvement of buildings, need not follow the prospectus process, is not required to excess and surplus the property for purposes of disposal, and is exempt from any other laws, other than laws relating to environmental and historic preservation, inconsistent with this section. The Administrator is also exempt from the Stuart B. McKinney Homeless Assistance Act.

*Section 4. Reporting requirement*

(a) Before entering in any agreement the Administrator is required to report the proposed agreement to the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works.

(b) The report must include a cost-benefit-analysis and the provisions of the proposed agreement.

(c) The report submitted to Congress of the proposed agreement is not effective until after a 30 day period of a continuous session of Congress.

*Section 5. Use of proceeds*

(a) Proceeds, minus expenses associated with an agreement will be deposited, administered, and expended, subject to appropriations acts, into the Federal Building Fund.

(b) The Administrator may retain expenses incurred associated with entering into an agreement authorized in the bill and will deposit expense amounts in the account from which the Administrator incurs expenses related to disposals of real property.

HEARINGS

On April 29, 1999, the Subcommittee on Economic Development, Public Buildings, Hazardous Materials and Pipeline Transportation and the Subcommittee on Government Management, Information and Technology held a joint hearing on Federal Real Property Management: Obstacles and Innovative Approaches to Effective Property Management. Testimony was given by a member of the National Research Council, officials from the General Accounting Office, Department of Defense, the National Park Service, Department of Veterans Affairs, United States Postal Service, the Public Buildings Service of the General Services Administration. The hearing did not specifically address H.R. 3069, but discussed innovative real property asset management approaches of the Federal government, many of which are contained in the bill.

COMMITTEE CONSIDERATION

On March 22, 2000 the Subcommittee on Economic Development, Public Buildings, Hazardous Materials and Pipeline Transportation marked up H.R. 3069. The Subcommittee adopted an amendment in the nature of a substitute. This amendment authorizes the Administrator of GSA to enter into agreements, including leases, contracts, partnerships, joint venture trusts, and limited liability agreements with private entities to acquire, construct, rehabilitate, operate, maintain or use land and improvements at the Southeast

Federal Center, a 55-acre parcel of land located on the Anacostia River in Southeast Washington, DC. This bill will allow GSA to leverage private capital and expertise to develop this site for use by the government and private sector, including retail, commercial and other uses. It provides for latitude by the Administrator in valuing any agreements, including the valuation of in-kind exchanges.

The bill bars the United States from debt, obligation or liability in connection with development, and allows GSA to prescribe terms and conditions for any lease by GSA for developed space as appropriate and payment is subject to annual appropriations. This bill allows GSA to accept in-kind consideration of payment, including construction, repair or remodeling of physical improvements of Federal property. To maximize development flexibility, any agreements shall not be subject to the Economy Act of 1932, which prohibits GSA from accepting in-kind contributions. Further, certain provisions of the Property Act of 1949, the Public Buildings Act of 1959, the McKinney Homeless Act and other laws not related to environmental or historic preservation laws, are waived. GSA is required to report to the House Committee on Transportation and Infrastructure and Senate Committee on Environment and Public Works prior to entering any agreements.

On March 22, 2000 the Subcommittee reported H.R. 3069, as amended, favorably to the Full Committee by unanimous voice vote. On March 23, 2000, the Full Committee met in open session and reported the bill, as amended by the Subcommittee, by unanimous voice vote.

#### ROLLCALL VOTES

Clause 3(b) of rule XIII of the House of Representatives requires each committee report to include the total number of votes cast for and against on each roll call vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against. There were no recorded votes taken in connection with ordering H.R. 3069, as amended, reported.

#### COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

#### COST OF LEGISLATION

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

#### COMPLIANCE WITH HOUSE RULE XIII

1. With respect to the requirement of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, and 308(a) of the

Congressional Budget Act of 1974, the Committee references the report of the Congressional Budget Office included below.

2. With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform and Oversight on the subject of H.R. 3069, as amended.

3. With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 3069, as amended, from the Director of the Congressional Budget Office.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, April 6, 2000.*

Hon. BUD SHUSTER,  
*Chairman, Committee on Transportation and Infrastructure, House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3069, the Southeast Federal Center Public-Private Development Act of 2000.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is John R. Righter.

Sincerely,

ROBERT A. SUNSHINE  
(For Dan L. Crippen, Director).

Enclosure.

*H.R. 3069—Southeast Federal Center Public-Private Development Act of 2000*

H.R. 3069 would authorize the General Services Administration (GSA) to enter into an agreement with a private entity for the purposes of redeveloping the Southeast Federal Center (SEFC) in Washington, D.C. Because much uncertainty exists as to whether GSA could find a private-sector partner to redevelop the SEFC and the exact form that such an agreement might take, CBO cannot estimate the budgetary impact of H.R. 3069. Because the bill could affect direct spending (including offsetting receipts), pay-as-you-go procedures would apply.

An agreement to develop the SEFC under H.R. 3069 could take one of many forms, including a lease, joint venture, or limited partnership between the federal government and a private entity. Through such an agreement, GSA could sell a portion or all of SEFC; lease or exchange SEFC property for space, goods, or services, including new construction or physical improvements to existing federal property; or, through a public-private partnership, construct, manage, and lease space in new facilities to federal and nonfederal entities. The bill would prohibit GSA from providing a federal guarantee for any debt issued as part of an agreement. Any obligation for GSA to make payments under H.R. 3069 would be subject to funding being provided in advance in appropriation acts.

Under the bill, GSA could retain and spend any proceeds resulting from an agreement sufficient to recover its costs under the agreement. Finally, before entering into an agreement, the bill would require GSA to report to the Congress on the proposed agreement.

Because much uncertainty exists as to whether GSA could find a private-sector partner to redevelop the SEFC and the form such an agreement might take, CBO cannot estimate the budgetary impact of H.R. 3069. However, depending on the type of agreement, implementing H.R. 3069 could have significant budgetary consequences. For example, a public-private partnership formed to construct an office building at SEFC for use by federal agencies would be a lease-purchase agreement. Under the Budget enforcement Act, a lease-purchase agreement would require an up-front appropriation equal to the building's full construction cost, and outlays would be recorded during the construction period. Alternatively, GSA could use the authority in H.R. 3069 to provide a long-term lease of the SEFC to a private entity in exchange for specific services, such as rent-free office space for federal agencies. Because it would not involve the payment of cash, that transaction would have no budgetary impact. Finally, GSA could sell some or all of the SEFC property, thus increasing offsetting receipts from the sale of surplus federal property.

H.R. 3069 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. The District of Columbia could benefit under this bill because public land currently exempt from property tax would become taxable if the property is transferred to private ownership. The outcome would depend on whether the District of Columbia would choose to grant a tax exemption based on the proposed use of the property.

The CBO staff contact for this estimate is John R Righter. The estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.

#### CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause (3)(d)(1) of rule XIII of the Rules of the House of Representatives, committee reports on a bill or joint resolution of a public character shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the measure. The Committee on Transportation and Infrastructure finds that Congress has the authority to enact this measure pursuant to its powers granted under article I, section 8 of the Constitution.

#### FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act. (Public Law 104-4.)

#### ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by legislation.

## APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act. (Public Law 104-1.)

## COMMITTEE CORRESPONDENCE

HOUSE OF REPRESENTATIVES, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,

*Washington, DC, April 13, 2000.*

Hon. DAN BURTON,  
*Chairman, Committee on Government Reform,  
Washington, DC.*

DEAR MR. CHAIRMAN: In the near future, the House will consider H.R. 3069, the "Southeast Federal Center Public-Private Development Act of 2000." While H.R. 3069 primarily contains provisions related to matters in the jurisdiction of the Committee on Transportation and Infrastructure, I recognize that certain provisions of Section 3 of the bill, which waive current law regarding the treatment of Federal property affect the jurisdiction of the Committee on Government Reform.

I agree that allowing this bill to go forward in no way impairs upon your jurisdiction over these provisions, and I would be pleased to place this letter and any response you may have in the Report on this bill. In addition, if a conference is necessary on this bill, I would support your request to have the Committee on Government Reform be represented on the conference with respect to the matters in question.

I look forward to passing this bill on the Floor soon and thank you for your assistance.

Sincerely,

BUD SHUSTER,  
*Chairman.*

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HOUSE OF REPRESENTATIVES,  
COMMITTEE ON GOVERNMENT REFORM,  
*Washington, DC, April 13, 2000.*

Hon. BUD SHUSTER,  
*Chairman, Committee on Transportation and Infrastructure, House  
of Representatives, Rayburn House Office Building, Wash-  
ington, DC.*

DEAR MR. CHAIRMAN: Thank you for your letter regarding H.R. 3069, the "Southeast Federal Center Public-Private Development Act of 2000." As you know, this bill contains certain provisions related to matters in the jurisdiction of the Committee on Government Reform. Specifically, Section 3 of the bill waives current law regarding the treatment of Federal property, which is under the Government Reform Committee's jurisdiction.

In the interest of expediting Floor consideration of the bill, the Committee will not exercise its jurisdiction over H.R. 3069. This ac-

tion should not, however, be construed as waiving the Committee's jurisdiction over future legislation of a similar nature.

Thank you for your cooperation on this matter.

Sincerely,

DAN BURTON,  
*Chairman.*

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