

FEDERAL REAL PROPERTY ASSOCIATION

Event Summary: Fireside Chat with Dan Mathews, GSA PBS Commissioner

October 26, 2017 – GSA Headquarters, Washington, D.C.

The Federal Real Property Association (FRPA) held an event featuring Dan Mathews, Commissioner of the General Service Administration's (GSA) Public Buildings Service (PBS) on Thursday October 26, 2017 at the GSA Headquarters in Washington, D.C. The event was moderated by Joel Baxley, Director, RSM.

During the event, Mr. Mathews discussed his vision for PBS over the next several years. He identified three significant opportunities to save money for the taxpayer including leasing, disposals, and public private partnerships and provided details as shown below.



Commissioner Mathews (left) with moderator Joel Baxley, Director, RSM.

- **Leasing** - Long-term leases are the key to negotiating good deals for taxpayers. 100 million square feet of leased space is expiring in the next five years and that turnover creates an opportunity to reduce the footprint and save money. Lease terms of 10 years or more give private partners long term certainty which lowers the costs of capital translating to lower rental rates and other types of discounts. Mr. Mathews noted that when it comes to leasing, the goal is to save money. Reducing the footprint is a means to an end, but not the goal itself.
- **Disposals** – Congress has created a powerful new law to cut tape and sell properties. The Federal Assets Sale and Transfer Act is a six-year pilot program that waives almost all disposal laws and allows the government to take high value properties straight to sale. Our inability to dispose of underperforming assets has brought us to a point where the average age of our buildings is almost 50 years and a mere twenty buildings generate most of the Federal Buildings Fund's profit. This is not sustainable in the long run and disposal is one of two ways to fix the problem, the other is to bring new, profitable properties into the portfolio through public-private partnerships.
- **Public Private Partnerships** – In many cases, leasing is an effective way to acquire real estate. There are situations though where the government's requirement for a property will exist long after the expiration of a lease. In these cases, it may benefit the government to acquire an equity position in the property through a public private partnership. This could lead to billions of dollars in savings over time.

The Federal Real Property Association (FRPA) is a 501(c)(3) non-profit community of Federal property asset managers and real estate professional working together to solve today's asset management and workplace challenges. For information on upcoming events and to see the latest of Federal Real Property through papers and news visit www.frpa.us.

SPEAKER BIO



Daniel Mathews was sworn in as Commissioner of the U.S. General Services Administration's (GSA) Public Buildings Service (PBS) on, August 3, 2017. As PBS Commissioner, he manages the nationwide asset management, design, construction, leasing, building management and disposal of approximately 371 million square feet of government-owned and leased space across the United States and six territories. Prior to joining GSA, Mathews served as the Republican Staff Director of the House Transportation and Infrastructure Committee's Subcommittee on Economic Development, Public Buildings, and Emergency Management. This committee has jurisdiction over federal buildings and courthouses, the General Services Administration, the Smithsonian, the Kennedy Center, the National Gallery of Art, and numerous other federal facilities. Prior to serving on the Transportation and Infrastructure Committee, Mathews worked for the House Rules Committee and several California Members of Congress.