

FEDERAL REAL PROPERTY ASSOCIATION

Event Summary: Discussion with Congress on Federal Real Property Efficiency and FASTA

September 12, 2017 – Rayburn House Office Building, Washington, D.C.

The Federal Real Property Association (FRPA) held a lunch event on September 12, 2017 at 11:30 a.m. at the Rayburn House Office Building in Washington D.C. to discuss real property efficiencies and the implementation of H.R. 4465, the Federal Asset & Sale Transfer Act (FASTA).

The panel for discussion consisted of Congressman Jeff Denham (R – California), the Congressional sponsor for FASTA; Congressman Lou Barletta (R – Pennsylvania) (represented by Johanna Hardy), Chairman of the House Subcommittee on Public Buildings; and Congressman Mark Meadows (R – North Carolina), Chairman of the House subcommittee on Government Operations. The event was moderated by Mary Goldsmith (Director of Business Development at RSM).

The main discussion points regarding H.R. 4465 were:

1. Implementation of the Federal Asset & Sale Transfer Act (FASTA)
2. Transportation & Infrastructure and Oversight & Government Reform Committee focus areas
3. Collaboration with the Trump Administration and GSA more specifically

First on the floor was Congressman Jeff Denham:

Representative Denham began his dialogue by giving background on his own experiences in managing and downsizing government real estate portfolios. Mr. Denham touched on the success of the procurement contract for the Trump Hotel in the Old Post Office. The Congressman used this example to highlight the ways that realistically evaluating the need for Federal real estate holdings can turn a deficit into a profit and save tax dollars. In the case of the Trump Hotel in the Old Post Office, the U.S. Treasury went from a yearly deficit of \$3 Million in maintenance and upkeep to a yearly profit of \$6 Million through the deal.

The Congressman then touched on the status and future vision for FASTA. He explained that the White House has drafted a list of candidates for the FASTA Board of Commissioners.

Mr. Denham also explained that Congress is currently working on allocating a \$6 Million budget for FASTA start-up costs. He expressed frustrations with the delays in the schedule for FASTA, but tempered this by stating that the President was giving close attention to the bill and is very interested in its potential outcome.

PANELIST BIO



Congressman Jeff Denham represents the 10th District of California in the U.S. House of Representatives. He was first elected to Congress in 2010 and is currently serving a fourth term in the 115th Congress. Rep. Denham's public service career began with the U.S. Air Force, where he served for 16 years between active duty and reserve status. He fought in Operation Desert Storm and Operation Restore Hope in Iraq and Somalia, respectively.

After graduating from Cal Poly San Luis Obispo, Rep. Denham worked in the agriculture industry as an almond rancher and entrepreneur. In his work as a California State Senator from 2002-2010, Rep. Denham focused on balancing runaway spending in California and protecting taxpayer dollars from wasteful state projects.

Mr. Denham also mentioned that the initial estimate for the size of inventory and total value of the properties being considered for FASTA is somewhere between \$3 and \$8 Billion, but will be larger as the program develops further in the future.

The next speaker was Ms. Johanna Hardy filling in for Congressman Lou Barletta:

Representative Barletta had to present a bill on the House Floor, so Ms. Hardy covered in his absence. Ms. Hardy is the new Staff Director for the Transportation and Infrastructure Committee and works with Congressman Barletta; and knows his platform well. Ms. Hardy discussed Mr. Barletta's initiative to re-introduce a GSA reform bill which will set up a better leasing pilot program that will help streamline the GSA leasing process to improve deal negotiations and allow for more flexibility in the deal negotiation process to take advantage of some of the "soft markets" in real estate.

She also explained that the Transportation and Infrastructure Committee is aiming to continue positive trends in negotiating deals, saving money (primarily from shrinking space, rent and O&M cost reductions and minimizing new construction), and avoiding new construction where possible. She also mentioned that the Committee is working on providing GSA with the authorities they need to further improve the agency's leasing program.

The final speaker to take the floor was Congressman Mark Meadows:

The first question asked was in regards to the Government Oversight Committee's timeline for approving the regulations to implement FASTA. Mr. Meadows responded by explaining that the procurement regulations would indeed come through his committee, but that he did not anticipate them being addressed until the first quarter of the 2018 Fiscal Year.

Mr. Meadows asked the audience to provide input and research on stakeholder solutions to help streamline the leasing process and reduce issues with utilization rates. In response to an audience suggestion about how streamlining the disposal process for historically properties, Mr. Meadows asked that this individual begin working on drafting legislative parameters to bring the State Historic Preservation Officers together to re-evaluate historic property designations and, ultimately, liquidate more assets in a more efficient manner.

PANELIST BIO



Congressman Mark Meadows is in his third term in Congress and has been serving North Carolina's Eleventh District since January of 2013, after a 27-year career as a small business owner. During his time in Congress, he has championed fiscal responsibility, accountable government, pro-growth economic policies, pro-family and pro-life initiatives, and a strong national defense.

Congressman Meadows serves on the House Oversight and Government Reform Committee where he Chairs the Subcommittee on Government Operations, which has oversight jurisdiction over federal agencies, the Executive Office of the President, the Postal Service, the Freedom of Information Act, and more. He also serves on the House Foreign Affairs Committee and the House Transportation and Infrastructure Committee.

Mr. Meadows previously served as a congressional delegate to the 68th session of the United Nations General Assembly and as a commissioner on the Congressional-Executive Commission on China.

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 on Federal Real Property visit www.frpa.us.