

Real Property, Real Solutions



GSA Office of Real Property Utilization and Disposal



*Punta Tuna
Lighthouse,
Maunabo, Puerto
Rico (interior and
exterior)*





*Homeowners
Assistance
Program
Residence, Box
Elder, SD*

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511 Broadway Federal Building, Portland, OR

Overview

The Office of Real Property Utilization and Disposal (RPUD) is responsible for repositioning Federal real property assets reported excess to the United States General Services Administration (GSA) in order to recapture Federal taxpayer money. GSA was founded in 1949 with the enactment of the Federal Property and Administrative Services Act (Property Act). The Property Act gave GSA the authority to be the Federal Government's real property disposal agent. Although many Federal landholding agencies (LHA) have their own disposal authorities, many still choose RPUD as an expert service provider due to our program

efficiency and expertise in developing strategies to address real property disposition. RPUD disposes of a wide range of real property, including: land, office buildings, warehouses, former post offices, farms, family residences, commercial facilities, lighthouses, prisons, airfields, and more. These properties are located within the United States, Puerto Rico, the U.S. Virgin Islands, or the U.S. Pacific Territories. RPUD provides realty services to other agencies that include examining asset utilization, performing site inspections, analyzing relocation efficiencies, checking for exchange opportunities, obtaining asset valuation and assisting in the

disposal of unneeded real property. Some agencies may have retention of proceeds authority, in which case RPUD can assist in generating revenue for the LHA.

When repositioning Federal real estate, RPUD follows a disposal process mandated by Federal law and Executive Orders. The chart below illustrates the disposal process (in order of progression) that may be utilized to find the best possible use for excess Federal property. However, not every property goes through every step of the process.



James F. Battin Federal Building and Courthouse, Billings, MT

Disposal Process

Excess Real Property

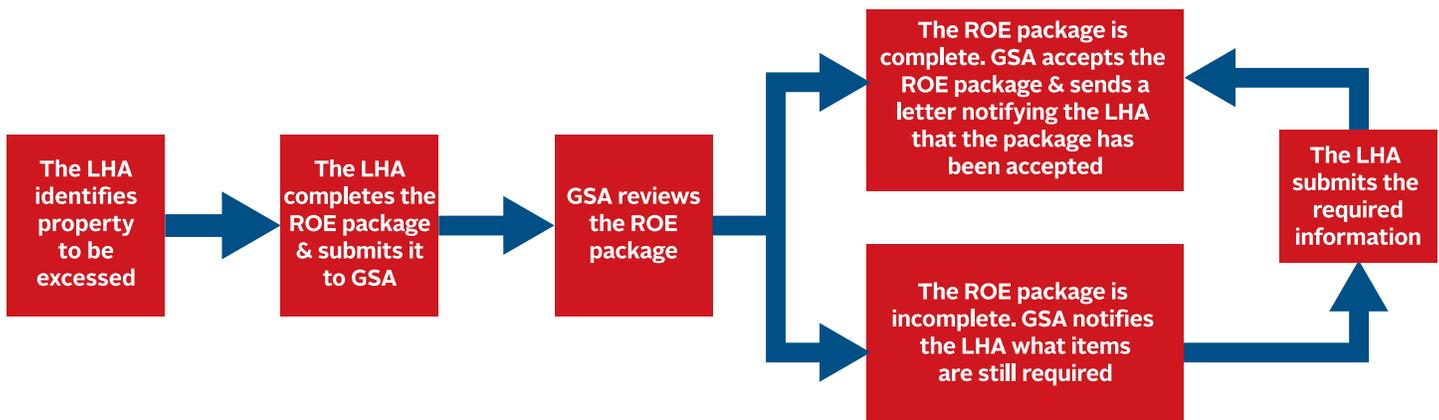
After a LHA determines a property is no longer needed to carry out program responsibilities, it reports the property to GSA as excess to its needs. To report the property excess to GSA, the agency completes a Report of Excess (ROE) Package. The Package consists of Standard Form 118, associated schedules and the Excess Real Property Checklist, and all requisite due diligence information. RPUD staff will assist in completing ROEs as well as

pre-ROE work so the customer agency is ready to declare a property excess. The ROE Package can be sent via hard copy to the corresponding GSA Regional Office (based on the property's location) or electronically through the ROE Portal on <http://propertydisposal.gsa.gov>.

What are the benefits to Excessing Real Property?

- Generate funds through the sale of real property assets.
- Save money/cost avoidance.

- Dispose of real property assets which have high protection and maintenance costs, but generate minimal revenue.
- Comply with President's Asset Management Initiative (E.O. 13327).
- Leverage equity through GSA's Relocation Authority.
- Identify and dispose of assets that are no longer mission-specific.



Bureau of Reclamation Vacant Land, Phoenix, AZ

Federal Transfer

When a Federal agency reports a property to GSA as excess to its needs, GSA first offers the excess property to other Federal agencies via Federal Screening. If another Federal agency identifies a need, the property can be transferred to that agency. The Federal

agency requesting to acquire the property must pay Fair Market Value (FMV). Agencies may ask for a waiver of FMV, which must be supported by GSA. The Office of Management and Budget (OMB) has the final waiver approval authority.

GSA facilitates any agreements between the excessing agency and the acquiring agency, and will transfer property custody and accountability via a transfer letter and executed GSA Form 1334. Title of the property will remain with the United States government.



Moscow Federal Building and Post Office, Moscow, ID

Public Benefit Conveyance



Old Laredo Post Office and Courthouse, Laredo, TX

If no Federal agency expresses interest in a property, GSA determines it “surplus” and screens the property for public benefit conveyance (PBC) purposes to homeless assistance providers, state and local governments and in some cases nonprofits. Under Federal law, these institutions may acquire surplus Federal real property at discounts of up to 100% for public use. These uses include:

- Homeless Assistance
- Education
- Public Health
- Park and Recreation
- Self-Help Housing
- Historic Monument
- Correctional
- Law Enforcement
- Emergency Management
- Port
- Wildlife Conservation
- Public Airport, Highway
- Public Road Widening
- Power Transmission Lines

The intent of a PBC is to support property uses that benefit the community as a whole. It is important to note that when there is no Federal need of an excess property and it is determined surplus, homeless needs/uses under Title V of the McKinney-Vento Homeless Assistance Act have priority over all other public benefit uses of surplus real property. The property information is submitted to the Department of Housing and Urban Development (HUD). HUD then determines if the property is suitable for homeless use. For each of the public uses, a designated Federal “sponsoring agency” serves as the subject matter expert, screens applications from local governments and eligible non-profit organizations (where authorized), and recommends to GSA whether the property should be used for the applicable public benefit use. If approved by GSA, the property is conveyed to

the recipient and monitored for compliance, either by GSA or the sponsoring agency. The terms of public benefit conveyances may restrict or limit the use of the property for anywhere from 20 years to in perpetuity, depending on the program.

Compliance inspections are conducted to ensure and verify that the grantee is using the property in accordance with the deed, for the purpose for which it was conveyed. If the property is being used in accordance with the instrument of conveyance, a recommendation is made that the grantee remains in possession of the property. If compliance issues are discovered, they are documented and plans for corrective action are established.

For more information on the PBC program, please contact David Stinson at 202.208.0324 or david.stinson@gsa.gov.

Negotiated Sale

A negotiated sale is a transaction in which the Federal Government offers state and local governments the right to purchase property at appraised fair market value before it is offered to the general public. Property acquired via negotiated sale must be for a public purpose, although they are not restricted to a particular use. Local agencies

may elect to acquire a property through a negotiated sale instead of acquiring the property by a specific public benefit conveyance.

Much like a public benefit conveyance, a negotiated sale can bring benefits for the community or municipality.

In most instances, communities save money by reusing federal facilities and avoiding unnecessary expenses associated with building new structures. Federal facilities can often be adapted to another public use with less rehabilitation costs. For example, a federal courthouse may be easily retrofitted as a local courthouse facility.



511 Broadway Federal Building, Portland, OR

Public Sale

If there is no interest from eligible public bodies non-profit entities within the surplus screening period or applications are not acceptable to the sponsoring agency, GSA concludes that there is no public benefit use for the property and proceeds to market the property for competitive public sale. GSA sells surplus properties by online (the most frequently used), sealed bid or live outcry auction.

The auction process begins with GSA issuing an Invitation for Bid (IFB) on the property. The IFB is a publication that contains the information needed to make a bid on the property. Each property has its own unique IFB and constitutes the government's contract. It provides the location of the property, property description, maps, pictures, general terms of sale, bidding instructions and any special terms of the sale.

Online Auctions – Allow the bidder to conduct all bidding activities, including submitting the bid deposit and increasing bids, online. As with traditional auctions, bidders participate in open competition against other bidders on realestatesales.gov until only the highest bid survives without challenge. The highest bid offered is awarded the sale if that bid is accepted by GSA.

Live Outcry Auctions – Public auctions are conducted in a conventional “live outcry” auction setting with an auctioneer calling bids at a specific date and time. Bidders register, submit the bid deposit, and bid openly against each other until the highest bidder



GSA makes IFB available for bidders.

Bidders register & submit bids online at <http://www.realestatesales.gov>

Bidder sends deposit to GSA

GSA authorizes bidders to participate

GSA awards property to successful bidder

Bidder must send remaining payment as stated in the IFB.

survives without challenge.

Sealed Bid – Bidders mail in bids and bid deposits to the specified GSA regional office prior to the designated bid opening date and time. All bids are kept in a secure location and are secret until they are all publicly opened at the same

time on the sealed bid opening date. No bids may be modified or withdrawn after the designated sealed bid opening time and date. The highest bid received is reviewed for acceptance or rejection after the sealed bids are opened.



US Custom House, Portland, OR

Realty Services

Our comprehensive services range from evaluating the existing use of a property, along with its potential use and valuation, to marketing and selling real estate. Real property professionals form multi-disciplinary teams experienced in all aspects of property utilization and disposal. We only charge direct costs, labor, and any contract or travel cost.

How can Federal Agencies obtain Property Disposal Services?

Agencies with GSA delegated disposal authority and agencies with independent disposal authority may “hire” GSA on a reimbursable basis for various services, such as public sales, appraisals, and customized real estate asset service (e.g. Targeted Asset Reviews). RPUD offers cost effective, timely, and professional appraisal and related services to other Federal agencies on a reimbursable basis. Services include appraisals in support of disposals, acquisitions, exchanges, and outgrants (leases, easements, licenses, and permits); reviews of third party appraisal reports; and consultations, including feasibility studies, highest and best use analyses, marketability studies, asset and utilization evaluations, property parcelization recommendations, Enhanced Use Leasing (EUL)



Homeowners Assistance Program Residence, Valdosta, GA

feasibility and valuation support, and other related real estate services.

RPUD has a nationwide staff of professional review appraisers with experience in preparing technical contract specifications, selecting the most qualified contract appraiser at a reasonable price, and preparing the required Government review of the contract appraisal. Our review appraisers have extensive experience with high valued, complex, and

controversial assignments involving a wide variety of property types.

A variety of contracts are in place to provide a full array of professional services with coverage in the United States and U.S. Territories. Contract vehicles include Indefinite Delivery Indefinite Quantity (IDIQ) and Blanket Purchase Agreements (BPA) through the GSA Schedules which includes the Financial and Business solutions (FABS) contracts.

Relocation Program

The Relocation Program specifically enables RPUD to provide the funds on a reimbursable basis to relocate a LHA from underutilized and aged facilities to newer more contemporary locations and provides authority to proceed directly to sell the vacated property. As a part of an agency's continuing mission need, GSA's relocation program, authorized through a series of statutory provisions, provides a

unique authority that may be applied when an LHA has a mission need for real property, but its current property may not be optimal for accomplishing its mission. A property must be identified as a candidate for the relocation program before the pre-ROE decision.

GSA provides this service only in conjunction with a GSA-directed

disposal. Any relocation and disposal costs incurred by GSA must be reimbursed through the sale. The recommended total benefit (Return On Investment) from the combined disposal and relocation must exceed the total costs by a ratio of at least 2:1, as determined by a fair market value appraisal of the property to be vacated and an estimate of the associated costs of the relocation/disposal.

Targeted Asset Reviews

Targeted Asset Reviews (TARs) are real estate utilization studies designed to inform and assist agencies with real property asset management decisions by:

- Increasing their knowledge of individual assets.
- Providing a due diligence review, which includes collecting and organizing title, environmental, historic and cultural information.
- Identifying real estate and community issues affecting the property.
- Understanding the role of each asset in supporting agency mission objectives.
- Examining current and future utilization alternatives.

The basic TAR Report is free of cost and includes:

- Property acreage/square feet, property description, buildings, and other improvements.
- Title history and all appropriate source documents.
- Easements, permits, and licenses.
- Environmental concerns: Lead-based paint, PCBs, asbestos, and presence/history of hazardous substances.
- Historical/Cultural considerations.
- Community/Stakeholder Interests.
- Recommendations for most efficient asset utilization/disposition.

Agencies may customize additional elements, as needed, to address specific mission-related requirements, this is referred to as a TAR Plus.



Former USPS Post Office, Yankton, SD

Acquisitions

RPUD provides expertise, resources and information to Federal agencies for fulfilling their land acquisition and relocation needs.

On a reimbursable basis, RPUD can provide assistance to Federal agencies for the following site acquisition services:

- Consult with agency representatives on site selection activities, and facilitate necessary due diligence, including feasibility studies, site searches and evaluations.
- Plan and execute contracts necessary for site due diligence and acquisition activities,

including but not limited to:

- Appraisals under the Uniform Appraisal Standards for Federal Land Acquisitions
- Title Research and Title Insurance
- NEPA Assessments
- Phase I Environmental Site Assessments
- ALTA Surveys
- Geo-technical Studies
- Relocation activities
- Conduct formal negotiations with property owners to acquire land and/or other real property interests and document negotiation sessions with property owners.

- Carry out actions in accordance with applicable Federal laws and regulations. Comply with the site acquisition policies issued by the Department of Justice (DOJ). Initiate eminent domain proceedings with agency counsel and DOJ if condemnation is determined to be necessary.
- Prepare transaction documents, obtain legal review and arrange for transaction closing. Establish a case file and accounting records, and turn over such records of work undertaken for each site acquisition project.



Point Fermin Light Station, San Pedro, CA



Defense Fuel Support Point, Estero Bay, Morro Bay, CA

Abandonment, Demolition, and Donation

Subject to restrictions set forth in the Federal Management Regulations, any Federal agency having control of real property that has no commercial value or for which the estimated cost of continued care and handling exceeds the estimated proceeds from its sale, may abandon or destroy Government-owned improvements and related personal property. RPUD assists LHAs in facilitating such disposal, and may also provide services related to the donation of real property to public bodies as necessary.

The Process for Abandoning, Destroying or Donating Real Property

- Written approval with documentation and analysis, must come from a LHA authorized official or designee.
- A reviewing LHA authority must approve determinations, if the current estimated fair market value exceeds \$50,000.
- GSA must concur in an agency's abandonment or destruction

of improvements on land or related personal property prior to abandoning or destroying such improvements on land or related personal property—

- (a) That are of permanent type construction; or
- (b) The retention of which would enhance the value of the underlying land, if it were to be made available for sale or lease

The Process for Donating to Public Bodies

- Federal agencies must obtain prior concurrence of GSA before donating to public bodies, if:
- (a) Improvements on land or related personal property having a current estimated fair market value in excess of \$250,000; and
- (b) Land, regardless of value.
- Public Bodies receiving donated improvements on land or related personal property must pay the disposal cost associated with the donation, such as dismantling,

removal and cleaning up of the premises

- Generally, Federal agencies must not abandon or destroy improvements on land or related personal property, until after it has given public notice of the proposed abandonment or destruction

The Process for Demolition

- Submit request to GSA for concurrence of demolition or donation, if current estimated fair market value is \$50,000 or more.
- Attach your agency's written Determination of Findings with appropriate signature(s) and provide photos of the structure(s).
- Keep complete records of your agency's supporting documents, reports, determination of findings, etc.
- Send your Request and Determination of Findings to the appropriate GSA RPUD Office.



West Heating Plant, Washington, DC

Utilization & Disposal Training Program

This comprehensive training Program is intended to be an interactive resource for Federal real property professionals. The format can be class room instruction or a workshop that encourages open discussions on real property utilization and disposal issues, as well as projects. The topic modules are routinely updated in response to new laws, regulations,

and legislation. The course topics include a working knowledge of real property laws, regulations, roles and responsibilities; asset management strategies; how to report real property excess; the real property disposal process, with options; and environmental and historic laws and applications; as they relate to the utilization and disposal of Federal real property.

A LHA may request the training to be tailored to their agency needs. The tailored training may include: desired topics and the amount of detail covered; laws, regulations and legislation applicable to that agency; examples of that agency's Utilization and Disposal projects; and illustrative interactive exercises.

Multiple agency training classes are scheduled for Washington, DC and other cites as interest dictates. Training class schedules are announced in RPUD's Newsletter. To subscribe, contact Anne Nussear at anne.nussear@gsa.gov, or check out our website at <http://propertydisposal.gsa.gov/Training> for more information.



Stockton Federal Building, Stockton, CA

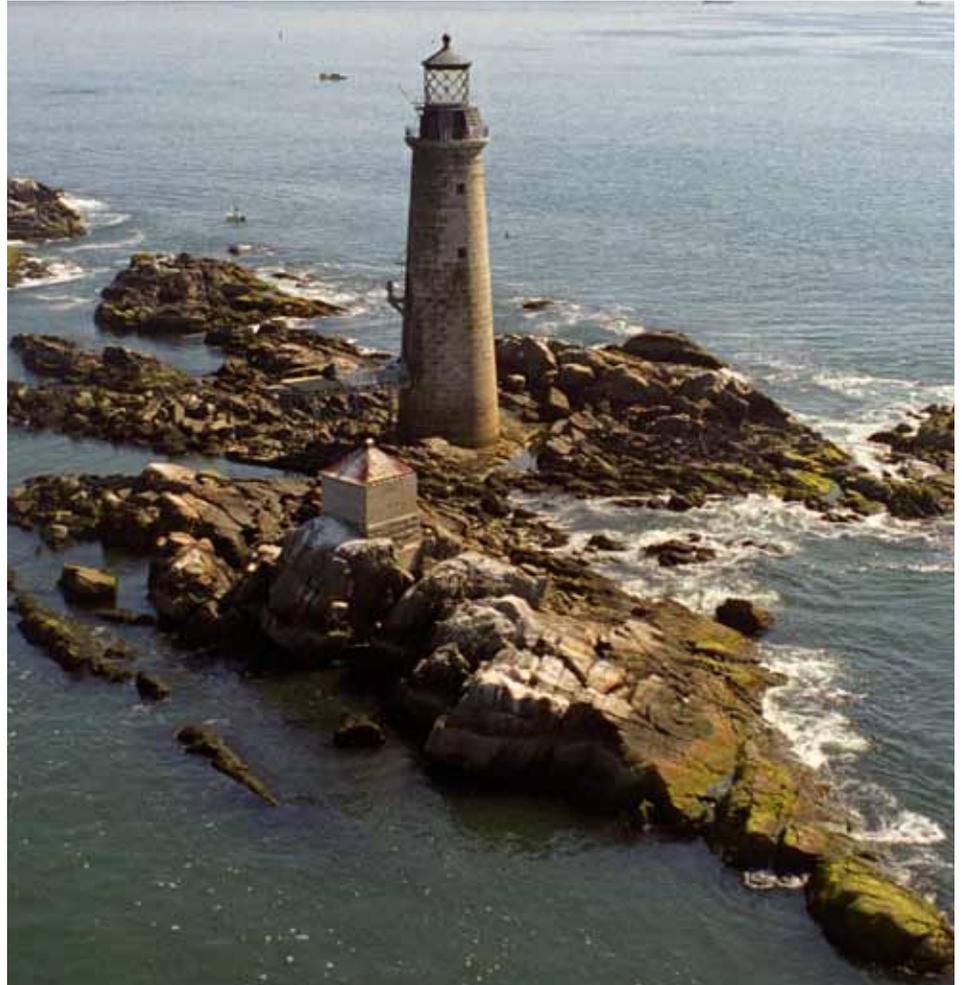
National Historic Lighthouse Preservation Act Program

The Department of Homeland Security's United States Coast Guard (USCG), the Department of Interior's National Park Service (NPS), and the General Services Administration (GSA) implement the National Historic Lighthouse Preservation Act (NHLPA) program through a unique Federal partnership aimed at preserving the historic and cultural significance of America's historic light stations.

The NHLPA gives priority to public bodies and nonprofit organizations to acquire a historic light station at no-cost (i.e. conveyed without monetary consideration) through a competitive application process administered by NPS. If no steward is identified through this process, the NHLPA authorizes GSA to conduct a public sale of the light station.

Roles of Agencies

- **USCG** - Identifies and reports excess light stations to GSA.
- **NPS** - Issues application to interested parties. Reviews & evaluates applicants. Selects no cost grantee.
- **GSA** - Issues Notice of Availability to interested parties. Manages auction sale. Develops and executes conveyance documents.



Graves Island Light Station, Winthrop, MA

Environmental Program

RPUD continues to lead the Federal Government in repositioning both historically significant and environmentally challenged real property. RPUD's National Environmental Team bolsters RPUD's ability to provide innovative environmental solutions to its customer agencies. Comprised of realty specialists, environmental specialists, and legal counsel, RPUD's Environmental Team provides environmental guidance and training to RPUD's zonal offices and customer agencies. The Environmental Team issued formal guidance on Munitions and Explosives of Concern (MEC) and jointly issued guidance with the Center for Historic Buildings on National Historic Preservation Act (NHPA) roles and responsibilities. Environmental Team members also provided substantial environmental outreach through various GSA and customer venues. In conjunction with providing national guidance and training,

the Environmental Team provides a necessary forum for critical cross-regional collaboration. Environmentally challenged and historically significant properties have a myriad of complex regulatory issues, stakeholder outreach needs, market and financial considerations. Sharing best practices and collaborating on innovative approaches enables RPUD to manage project complexities and craft creative realty and regulatory solutions.

Example:

RPUD's successful conveyance of the Mountain Creek Industrial Center demonstrates RPUD's capabilities managing complex transactions. It also illustrates the collective expertise RPUD has gained structuring transactions with the purchaser assuming environmental cleanup responsibility. Mountain Creek Industrial Center comprises

425 acres with 171 buildings. The property contains historically significant structures and substantial soil, groundwater and sediment contamination. RPUD managed the disposal while closely coordinating with the Navy on the following major regulatory requirements:

- Compliance with Section 106 of the NHPA through a Memorandum of Understanding with the Texas State Historic Preservation Office;
- Compliance with the National Environmental Policy Act through completion of an Environmental Assessment (EA) with a Finding of No Significant Impact (FONSI); and
- Compliance with Section 120(h) (3) of the Comprehensive Environmental Response, Compensation and Liability Act through the Governor of Texas concurring with the Federal Government's Covenant Deferral Request.

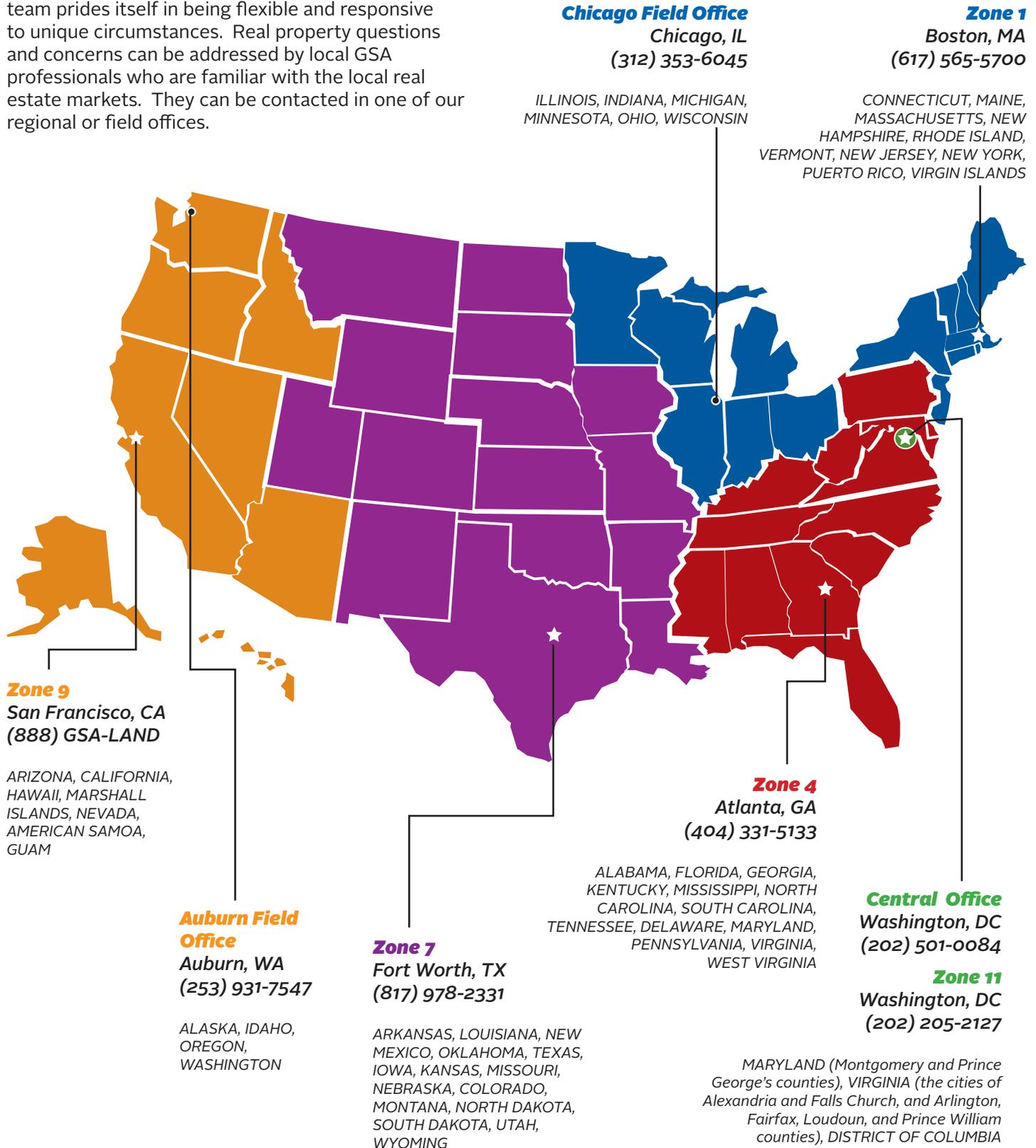


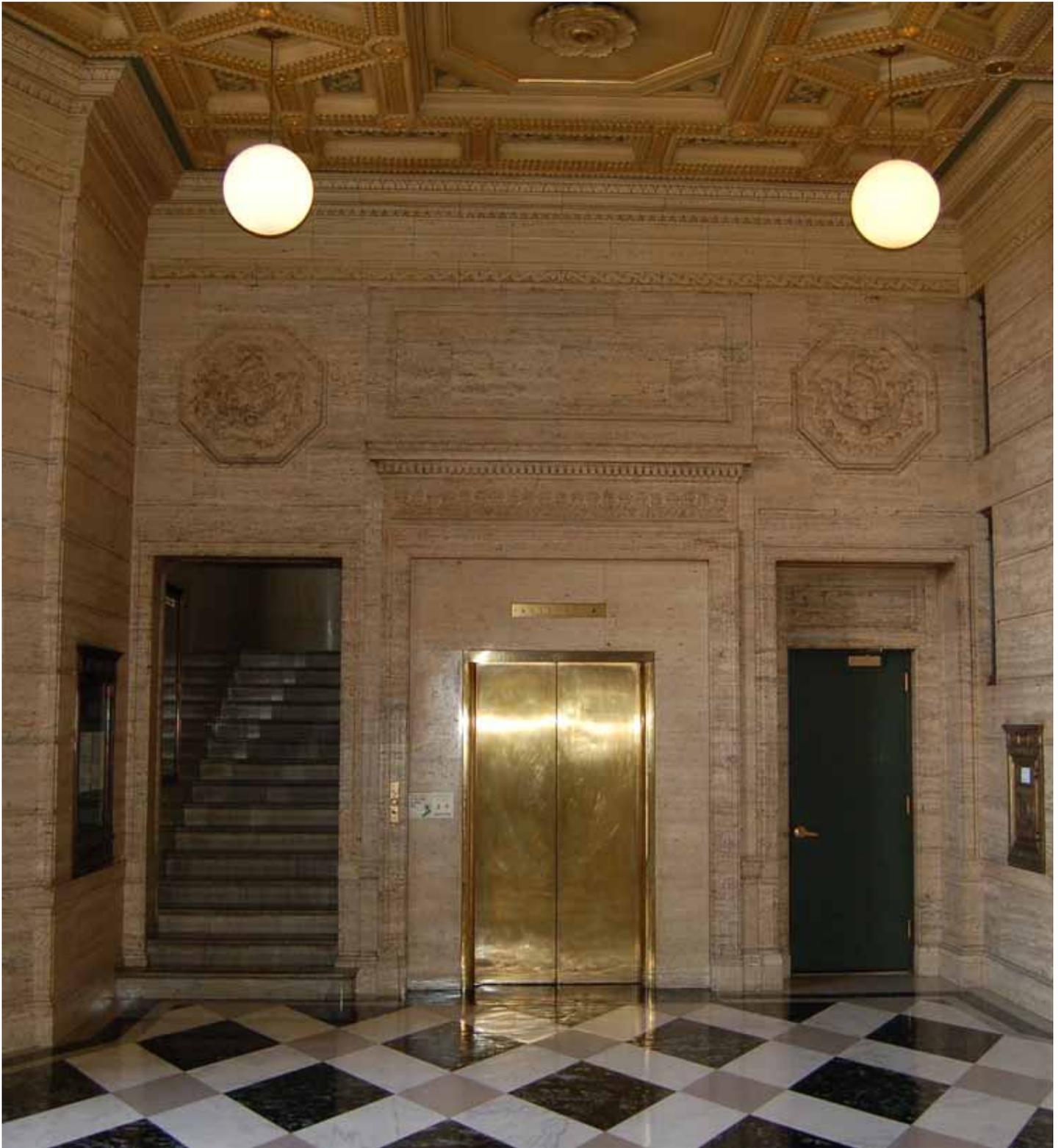
Mountain Creek Industrial Center, Dallas, TX

In addition to managing these significant environmental regulatory processes, RPUD's public auction required both (1) successful market engagement and (2) developing the necessary regulatory and financial assurances from the high bidder to ensure the cleanup would be completed.

Contact US

Whatever your real property needs are, the Office of Real Property Utilization and Disposal is committed to providing quality service and the best value to meet your needs. Our knowledgeable and tested team prides itself in being flexible and responsive to unique circumstances. Real property questions and concerns can be addressed by local GSA professionals who are familiar with the local real estate markets. They can be contacted in one of our regional or field offices.





511 Broadway Federal Building, Portland, OR

**GSA Office of Real Property
Utilization and Disposal**

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Washington, DC 20405

www.gsa.gov

<http://propertydisposal.gsa.gov>

<http://realestatesales.gov>

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@GSA_RPdisposal



Moose Peak Lighthouse, Jonesport, ME