

Seminar on Lease Construction and Alternative Methods for Government Build-to-Suits

Government Leasing News, Rockville, MD, and AMV, LLC of Fernandina Beach, FL today conducted a seminar at the Naval Heritage Center, 701 Pennsylvania Ave. NW, Washington, DC. About 90 federal real estate officials from GSA and its client agency assembled to participate in presentations dealing with privately financed public building development.

Each year the government does a number of privately financed build-to-suits with leaseback deals around the country. The number of projects has increased in recent years because of competition for directly appropriated funds. But federal officials have been experiencing difficulty in delivering projects because of the current financial disruptions and changing security requirements of many buildings.

GLN has partnered with AMV, LLC, to assemble a panel of development, financial, legal, procurement and other experts to explore new ways for working with industry to ensure successful delivery of these critical projects. GLN puts out a one-of-a-kind quarterly publication that deals with government leasing and development issues. Dr. Dennis Eisen, the founding owner and editor-in-chief of GLN, said that "Government Leasing News has become the leading publication in the area and serves as the communications medium between public and private sectors on all real property leasing matters." Eisen has identified 40 or so projects comprising about 12 million sq. ft. that have been approved for development but have not yet been awarded. Patrick J. Keogh, President of AMV, said that it was his hope for the seminar to expose federal managers to a new set of tools that federal project managers can use to work with the private sector. According to Keogh, "The tools can be characterized as public-private partnering approaches to procurement and creating relationships to develop projects."

Keogh cited the \$300 million privately financed Archives II project built in College Park, MD, as an example of effective public-private partnering. A more recent project is the recently completed Bayview Research Center on the east Baltimore campus of Johns Hopkins University. Bayview is the new \$250 million home of the National Institutes of Health's Aging Institute and Drug Abuse Institute. Keogh has worked on both the Archives II and Bayview projects.

Participating in the day-long panel discussions was David Miller, a local partner in the law firm of Pillsbury Winthrop Shaw Pittman LLC. Miller spoke to the new kinds of procurement that the team has created. Tom Zarrilli and Paul Penney represented the New York City-based CTL Capital LLC, a financial advisory firm. The CTL principals focused on the complexities of the Bayview financing and also spoke to the special challenges posed by today's credit markets. Development expert and former head of the Pennsylvania Avenue Development Corporation, Tom Regan, of Herdon, Virginia's Regan Associates LLC, addressed development issues.

Dr. Eisen announced at the conference that GLN was establishing the Virgil W. Ostrander Award for the most innovative lease procurement of the year under Section 1.102(d) of the Federal acquisition Regulations. That section of the FAR says that members of Federal acquisition teams are encouraged to exercise initiative in finding better ways to conduct the government's business. Eisen expects to be soliciting nominations in the winter 2008 issue of Government Leasing News for noteworthy innovations in Federal leasing practices. Virgil Ostrander is a former assistant PBS commissioner for procurement and former director of procurement for the Resolution Trust Corporation, and throughout his long career was an outspoken advocate for innovative procurement procedures.