

**STATEMENT OF TIMOTHY O. HORNE**  
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**ADMINISTRATION**  
**BEFORE THE HOUSE TRANSPORTATION AND INFRASTRUCTURE**  
**SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS,**  
**AND EMERGENCY MANAGEMENT**

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**Introduction**

Good morning Chairman Barletta, Ranking Member Johnson, and Members of the Committee. My name is Tim Horne and I am the Acting Administrator of the U.S. General Services Administration (GSA). Thank you for the opportunity to testify today on GSA's management of Federal real property and the implementation of the Federal Assets Sale and Transfer Act of 2016 (FASTA).

I have been a GSA employee for almost 25 years, starting off as a facilities management intern at the Denver Federal Center. Later in my career, I held the position of Federal Acquisition Service Regional Commissioner, and I served as the Public Buildings Service Regional Commissioner for GSA's Rocky Mountain Region. In 2008, I had the privilege to serve as the Deputy Federal Transition Coordinator and the Federal Transition Coordinator for the most recent Presidential Transition before being appointed as Acting Administrator.

GSA's mission is to deliver the best value in real estate, acquisition, and technology services to government and the American people. Given our current fiscal environment, GSA is working with agencies on multiple fronts to reduce the Federal Government's real estate footprint. GSA agrees with Members of this Committee about the importance of and is committed to the identification, consolidation, and disposal of nonperforming and vacant Federal real property.

## **FAST Act**

Last year, Congress passed the FASTA to encourage landholding agencies to reduce the number of unneeded and underutilized properties from their inventory. GSA strongly supports FASTA and we view this as a valuable tool to incentivize agencies to be more efficient and effective in their management of real property. It also improves the Federal real property disposal process by establishing an independent board to make recommendations for property disposals along with other ways to reduce the costs of Federal real property holdings. Further, the Act streamlines the process for identifying and disposing of properties to benefit the homeless.

To help implement the FASTA, GSA, working with the Office of Management and Budget (OMB), conducted two data calls to build a more robust Federal Real Property Profile (FRPP) and develop recommendations for disposal and consolidation projects to put forward. We are adding the new data elements required by the FASTA to the FRPP data collection. The Act expanded the universe of 24 Executive Branch agencies that previously reported real property data to GSA. A total of 51 agencies have responded to the data calls under the FASTA.

Additionally, to support and implement the board's recommendations, the President's budget requests \$40 million in FY 2018 to be deposited into the Asset Proceeds and Space Management Fund. These funds will support the independent activities of the Board and will be managed as a stand-alone account. Once the Board is in place, GSA looks forward to working with the Chairman and board members, as well as OMB, to implement the Act.

As you know, GSA administers one of the largest and most diversified public real estate portfolios in the country. The agency's portfolio consists of 371 million rentable square feet (RSF) in 8,700 active assets across the United States, in all 50 states, 6 U.S. territories, and the District of Columbia (DC). The owned inventory accounts for approximately 49 percent of the portfolio, and the leased inventory is approximately 51 percent of the portfolio.

Over time, technological advancements, shifts in Federal agencies' scope and mission, economic and demographic changes, and the aging of a facility or infrastructure can contribute to Federal real property underutilization and deterioration. When this occurs, GSA works in coordination with the agency that controls the asset to determine whether it is in the best interest of the Federal

Government to maintain ownership or begin the process to find an alternative use outside of the Federal Government.

GSA is taking an aggressive approach to improving the utilization of Federal property and reducing our unneeded and underutilized assets. From FY 2012 through FY 2016, GSA disposed of 976 properties, both those managed by GSA as well as other landholding agencies, generating \$273 million in gross sales proceeds. The bulk of the disposals were executed through public sales. Other property disposals involved negotiated sales, public benefit conveyances, and Federal transfers.

For GSA-managed properties, between FY 2012 and FY 2016, GSA disposed of 66 properties, generating \$88 million in gross proceeds. Earlier this year, GSA disposed of the Cotton Annex building in Washington, DC. The \$30 million sale of this 118,000 square-foot facility, which previously housed the U.S. Department of Agriculture, resulted in a cost avoidance to the Federal Government of almost \$7 million over two years, because GSA no longer needs to make long-term repairs and upgrades to the facility. Additionally, the disposal of this building could also serve as a catalyst for economic development in the surrounding area by introducing new tenants, businesses and employment to the area.

However, the Federal Government is not the only participant and benefactor in this process. State, local, and non-profit partners play a vital role in helping GSA identify and unlock an asset's value and benefit.

For example, through a negotiated sale, GSA sold underutilized acreage at the Denver Federal Center to the City of Lakewood, Colorado. The City then developed the property, which now contains a transit hub and hospital that serve the citizens of the surrounding area. This example showcases that Federal and non-Federal stakeholders benefit when we collaborate together during the disposal process.

In closing, GSA is committed to carrying out its mission of delivering the best value in real estate. When GSA and other Federal agencies more efficiently and effectively manage their real property inventory, we realize improved mission and workforce outcomes while reducing housing and related costs. These savings can be invested back into agencies' mission-critical work.

I thank the Committee for the opportunity to testify today and look forward to answering your questions.