

Amendment Section 4003 - Requires the federal government to sell off or demolish unused federal Real Property

This amendment would simply require the federal government to sell off or demolish unused federal Real Property.

The federal government has billions of dollars of under-utilized or not utilized Real Property

According to the Office of Management and Budget there are currently 46,745 under-utilized properties and 18,849 are not being utilized. That is a total of 65,594 properties with an estimated value \$83 billion that should be sold, better managed or demolished.¹

Excess property across the federal government is quietly costing the American taxpayer billions of dollars per year.

Holding unneeded property carries a hidden opportunity cost due to both the lost revenues that would be gained from selling the property and the avoidance of future maintenance costs. Over a long period of time, and with a large number of unneeded properties in its portfolio, the costs could likely add up to hundreds of millions, if not billions, of dollars wasted.

GAO reports that the Department of Energy, NASA, GSA, Department of Interior, and the VA reported repair and maintenance backlogs that total over \$30.5 billion.²

¹ OMB numbers sent to staff on February 4, 2009

² Government Accountability Office, Testimony before the House subcommittee on Economic Development, Public Buildings, and Emergency Management, Committee on Transportation and Infrastructure, House of Representatives; July, 15, 2009 <http://www.gao.gov/new.items/d09801t.pdf>

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The Federal Real Property Council reports that the federal government owned or operated more than 1.1 million assets worldwide in 2007, worth an estimated total of \$1.5 trillion.³

Poor property management of these assets has proven to be a significant and costly problem. The problem is so serious that the Government Accountability Office placed Federal Real Property Management on its High-Risk List in 2003 and it continues to be on the list today.

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Rather than disposing of properties once they are no longer useful, agencies often opt to hold onto them at the same time that they are adding new properties.

GAO reports the following example to highlight the extent of this problem: “Officials with Energy, DHS, and NASA—which are three of the largest real property-holding agencies—reported that over 10 percent of the facilities in their inventories were excess or underutilized.”⁵

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³ http://www.gsa.gov/graphics/ogp/FRPP_FY07.pdf

⁴ OMB numbers sent to staff on February 4, 2009

⁵ Government Accountability Office, Testimony before FFM, May 24, 2007, <http://www.gao.gov/new.items/d07895t.pdf>.

When an agency holds on to a property it no longer needs, that property cannot be used for other activities that can create jobs and increase local and national prosperity.

Every unneeded square foot of building space held by the federal government requires annual funding for operations and maintenance. This includes the cost of cleaning, heating, lighting, and landscaping a building, as well as any costs related to a mortgage or lease for the space.

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- DOE - \$3.3 Billion
- NASA - \$2.3 Billion
- GSA - \$7 Billion
- Interior - \$12 Billion
- VA - \$5.9 Billion

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