

**PROSPECTUS – ALTERATION
201 VARICK STREET FEDERAL OFFICE BUILDING
NEW YORK, NY**

Prospectus Number: PNY-0128-NY21

Congressional District: 10

FY 2021 Project Summary

The General Services Administration (GSA) proposes a consolidation project at the 201 Varick Street Federal Office Building (Varick Street) in New York, NY. The proposed project will renovate approximately 195,000 usable square feet (USF) of space for the Department of Homeland Security, Immigration and Customs Enforcement–Homeland Security Investigations (ICE-HSI), and Veterans Affairs–Veterans Benefits Administration (VBA). ICE-HSI will be relocating from a costly lease in Manhattan into space being vacated by the Department of Veterans Affairs–Veterans Benefits Administration (VBA) which is consolidating into approximately 48,000 USF. The project will result in agency rent savings to VBA of approximately \$3,100,000 annually, and the Government will realize \$13,000,000 in annual lease cost avoidance, while ICE-HSI will benefit from \$7,000,000 in annual agency rent savings.

FY2021 Committee Approval and Appropriation Requested

(Design, ECC, M&I)\$66,650,000

Major Work Items

Demolition and abatement, interior construction; heating, ventilation, and air conditioning (HVAC); building structure; exterior construction; conveying system; plumbing, electrical, and life safety

Project Budget

Design	\$3,795,000
Estimated Construction Cost (ECC)	59,638,000
Management and Inspection (M&I)	3,217,000
Estimated Total Project Cost (ETPC)	\$66,650,000

*Tenant agencies will fund an additional amount for alterations above the standard normally provided by the GSA.

Schedule

	Start	End
Design and Construction	FY 2021	FY 2024

Building

Built in 1929, the Art Deco style building is situated on the west side of lower Manhattan and is bounded by Varick, King, West Houston, and Hudson Streets in a densely built

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area of commercial, office, and light industrial buildings. The building is several blocks from the Holland Tunnel, which connects Manhattan with New Jersey beneath the Hudson River. Comprising 14 stories and a basement, it measures just over 1 million gross square feet.

Tenant Agencies

Department of Homeland Security, Department of Veteran Affairs, Department of Labor, Department of State, U.S. Postal Service, Social Security Administration, Department of Justice

Proposed Project

The proposed project will build out approximately 147,000 USF of space for ICE-HSI that is being vacated by VBA and consolidate VBA into approximately 48,000 USF on another floor within the building.

Restacking of the building is necessary to allow for a separate entrance for secure vehicle access for ICE occupancy in contiguous space, along with separate secure internal vertical transportation. VBA is relocating to the fourth floor. As part of an ongoing project, a health unit will also be relocated from the fourth floor to the eleventh floor to allow VBA to fully occupy the floor.

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Major Work Items

Interior Construction	\$23,157,000
HVAC Upgrades	18,270,000
Demolition/Abatement	6,611,000
Electrical Upgrades	6,421,000
Building Structure	3,175,000
Exterior Construction	144,000
Fire and Life Safety Upgrades	1,538,000
 Plumbing and Conveying System Repairs	 <u>322,000</u>
Total ECC	\$59,638,000

Justification

The project will result in agency rent savings to VBA of approximately \$3,100,000 annually, and Government will benefit from over \$13,000,000 in annual lease cost avoidance, and ICE-HSI will benefit from almost \$7,000,000 in annual agency rent savings. With VBA's 57,000 USF reduction and ICE-HSI backfilling vacant space, the overall utilization rate for this building will be reduced, and vacant space will be minimal.

Summary of Energy Compliance

This project will be designed to conform to requirements of the *Facilities Standards for the Public Buildings Service*. GSA encourages cost-effective design opportunities where cost-effective to increase energy and water efficiency above the minimum performance criteria.

Prior Appropriations

None

Prior Committee Approvals

None

Prior Prospectus-Level Projects in Building (past 10 years)

None

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Alternatives Considered (30-year, present value cost analysis)

Alteration:	\$182,738,000
Lease	\$345,389,000

The 30-year, present value cost of alteration is \$162,651,000 less than the cost of leasing, with an equivalent annual cost advantage of \$8,955,000.

Recommendation

ALTERATION

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Certification of Need

The proposed project is the best solution to meet a validated Government need.

Submitted at Washington, DC, on February 4, 2020

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Administrator, General Services Administration