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GSA rejects Prince George's bids for HHS offices { web }

Pr. George's again fails to attract HHS office space { print }

By [Ovetta Wiggins](#)

The General Services Administration has awarded a nearly \$450 million lease for federal office space to a Montgomery County bidder, **dealing a blow to three developers in Prince George's County** who tried to lure [U.S. Department of Health and Human Services](#) offices from Rockville.

Earlier this year, the GSA said it would keep the HHS offices in Montgomery and awarded a 15-year lease to a Rockville-based developer. Three Prince George's bidders responded by filing protests with the federal Government Accountability Office. The [GAO ruled in June that the lease had been unfairly awarded](#), giving the bidders a second chance.

John Lally, an attorney for one of the Prince George's bidders, was upset to learn the county was not successful.

"Three very good Prince George's County sites were turned down," said Lally, who represents the Carl Williams Group, which is part of Metroview Development Holdings. "It's just one more time GSA has done this to us, and I think it's offensive."

Prince George's has tried for years to increase the number of [federal office leases in the county](#), arguing that it has fewer government leases than other jurisdictions in the Washington area.

This is one more example of why the SRSOD is so necessary.

*Location, the three most important things in real estate, is **physical adjacency**, i.e. what is the context? What is around me?*

Unless complete cities are planned and the public realm built at each Metro station, an individual "TOD project" is noise not music.

*Also, for Pr. George's, **virtual adjacency** is key — please read [tab 46b](#) on the [Woodmont Triangle web page](#).*

A **2007 study by the National Center for Smart Growth Research and Education** and the University of Maryland Real Estate Development Program found that although Prince George's has 33 percent of the region's land area and 23 percent of its population, it has attracted only 4 percent of the federal leasing dollars spent in the region.

GSA officials said that the 15-year lease to keep the HHS offices at the Parklawn Building will begin in summer 2014.

“GSA used our best value methodology for the selection, which allows us to balance price with the qualities and features we seek in a location,” Cathy Kronopolus, an official with the GSA’s National Capital Region, said in a statement. “Parklawn will provide first-class office space in an environmentally sustainable building, proximate to a Metrorail station, at a good value for the American taxpayer. This was a sound business decision.”

The GSA weighed the price against location, building characteristics and past performance. Location and building characteristics had equal value, according to the GSA. Location was based on access to Metrorail and amenities, such as restaurants, day-care centers and stores.

SRSOD !

The three Prince George’s locations were in New Carrollton, Largo and Hyattsville, all near Metro stations. County officials are trying to foster development around Prince George’s 15 Metro stations, which have failed to attract substantial investment compared with other transit stops in the region.

*Without a city plan
and a built public realm,
you DO NOT have “Location.”
Pr. George’s needs the SRSOD!*

David Iannucci, Prince George’s assistant deputy chief administrative officer for economic development, said County Executive **Rushern L. Baker III** “intends to fight hard for leasing space in Prince George’s County. . . . We’re confident that Prince George’s will earn the next leasing space that goes out for federal bid.”

There have been discussions about Prince George’s being considered for a lease with the Department of Homeland Security, but budget cuts have stalled those plans, Iannucci said. The FBI may be considering moving some offices to the county, he said.

Iannucci said Prince George’s hopes to have a [\\$50 million economic development fund](#) in place to help entice the federal government to look more favorably at the county. “We need that so we can compete more competitively with our neighbors,” he said.

After the GSA awarded the HHS lease for the nearly 1 million square feet of office space to JBG Cos. in March, **One Largo Metro**, **Metroview Development Holdings** and **King Farm Associates** each filed bid protests with the GAO.

In June, the GAO ruled that the GSA’s award to JBG should be reevaluated. **Ralph White**, managing associate general counsel, said at the time the GSA evaluation was flawed and the agency failed to properly document its decision.

GSA officials said Wednesday that all five locations were priced for less than the cap of \$34 per square foot but that the offers in Montgomery County “were significantly lower than those in Prince George’s County.”

JBG plans to renovate the Parklawn space.

The GSA had 60 days to respond the GAO's ruling, which directed the agency to reevaluate the proposals based on its "interpretations of the factors included in the solicitation."

After another look, the GSA said that it had "concluded once again that the Parklawn building represents the best value to the government."