

Congress of the United States
Washington, DC 20515

February 21, 2024

The Honorable Robin Carnahan
Administrator
U.S. General Services Administration
1800 F Street, NW
Washington, DC 20405

Dear Administrator Carnahan,

We write to you regarding the designation of the Hastings Keith Federal Building (HKFB) located in the heart of New Bedford, MA for asset disposition, as part of the General Services Administration's (GSA) Portfolio Optimization Strategy.¹ We are deeply concerned with how GSA made the decision to dispose of this federal asset in the city of New Bedford, and we urge GSA to reassess and reconsider this decision.

In November 2023, the GSA New England Regional Office notified our offices and New Bedford Mayor Jon Mitchell about the current plan to transition HKFB from federal use to private or municipal ownership, thereby terminating existing leases and eliminating federal operations at the building. Since the November notification, we appreciate the Regional Office's ongoing engagement with our offices and the city to discuss concerns, including through a meeting and onsite tour of the building in January 2024. Regrettably, prior to the November 2023 notification, the GSA failed to engage with the congressional delegation, the city of New Bedford, and the existing tenants to fully assess: (1) the negative impacts for the community from this proposed disposition strategy; (2) the potential to optimize the use of this federal asset without transitioning the building; and (3) opportunities to resolve HKFB's facility needs and revenue deficiencies, including with the support of the delegation.

A preliminary concern of the delegation is the GSA's failure to engage with stakeholders throughout the Portfolio Optimization Strategy, including our offices, which raises serious questions about the process and ultimate decision. Further, the process appears to run counter to the recent Office of Management and Budget (OMB) memo M-22-14, *FY 2024 Agency-wide Capital Planning to Support the Future of Work*, which directs agencies as part of capital planning decisions to ". . . consider the agency's mission and customer needs. . . and impacts on local communities" and further to ". . . rely on evidence when making their office space and capital planning decisions."² Instead of engaging with stakeholders to assess the effects of the proposed closure and gather information, we understand the GSA based its decision on monetary analyses including the Funds from Operations, the property's future reinvestment needs, and local real estate market conditions. However, these metrics fail to account for key concerns that are critical to any decision on this federal asset.

¹ General Services Administration, Asset Disposition, <https://www.gsa.gov/real-estate/portfolio-optimization-strategy/asset-disposition> (last visited February 13, 2024)

² Office of Management and Budget, FY 2024 Agency-wide Capital Planning to Support the Future of Work, <https://www.whitehouse.gov/wp-content/uploads/2022/07/M-22-14.pdf> (last visited February 21, 2024)

Foremost, transitioning the HKFB from federal use would disrupt the operations of the Social Security Administration's (SSA) branch office in New Bedford's downtown. This SSA office is in close proximity to environmental justice, low-income, and diverse neighborhoods and at the convergence of multiple public transportation routes which provide access to the Towns of Freetown, Acushnet, Fairhaven, and Dartmouth.^{3 4 5} In recent communications with our offices, GSA outlined a potential leasing process that may not result in maintaining the new SSA branch within close proximity to the existing office or even in the urban center. Moving or eliminating this strategically located SSA office will make it substantially more difficult for vulnerable populations, such as elderly or disabled individuals, to access an SSA office. The disposition of HKFB would also disrupt other federal tenants, including the National Oceanic and Atmospheric Administration (NOAA), the U.S. Department of Agriculture (USDA), and the Department of Justice.

Along with immediate effects on local communities, the GSA's decision ignores the critical and growing federal interests in New Bedford, including commercial fishing, seafood processing, and offshore wind development. In particular, the Port of New Bedford is the most economically productive commercial fishing port in the nation, with 88.4 million pounds of landings in 2022 that generated more than \$443.2 million in value.⁶ Further, the Port of New Bedford is a key launching point for the nation's offshore wind energy industry, as turbines and components depart New Bedford's Marine Commerce Terminal for one of the nation's first utility-scale offshore wind energy projects, Vineyard Wind 1.^{7 8 9} Just last year, the New Bedford Port Authority was awarded \$24 million through the Department of Transportation's Port Infrastructure Development Program to extend and rehabilitate Leonard's Wharf for offshore wind and commercial ocean use. New Bedford is at the epicenter of national priorities relating to renewable energy and the marine economy.

To support federal engagement in and oversight of critical federal interests, we urge the GSA to collaborate with partner agencies to consider how to grow—not shrink—the federal assets in New Bedford. As mentioned above, the Biden-Harris administration has recognized

³ United States Census Bureau, QuickFacts, New Bedford city Massachusetts,

<https://www.census.gov/quickfacts/fact/table/newbedfordcitymassachusetts#> (last visited Feb. 9, 2024).

⁴ Massachusetts Executive Office of Energy and Environmental Affairs, Environmental Justice Populations in Massachusetts, <https://www.mass.gov/info-details/environmental-justice-populations-in-massachusetts> (last visited February 12, 2024)

⁵ Southeastern Regional Transit Authority, New Bedford Route Departure Times and Map, https://www.srtabus.com/wp-content/uploads/city_schedule_New-Bedford_FY24_Winter.pdf (last visited Feb. 9, 2024).

⁶ NOAA Fisheries, Fisheries of the United States, <https://www.fisheries.noaa.gov/foss/f?p=215:200:8278755845918> (last visited Feb. 14, 2024).

⁷ Stanley Reed & Ivan Penn, *A Giant Wind Farm Is Taking Root Off Massachusetts*, N.Y. Times (June 27, 2023), <https://www.nytimes.com/2023/06/27/business/energy-environment/marthas-vineyard-wind-farm-massachusetts.html>.

⁸ Press Release, United States Department of the Interior, Biden-Harris Administration Approves First Major Offshore Wind Project in U.S. Waters (May 11, 2021), <https://www.doi.gov/pressreleases/biden-harris-administration-approves-first-major-offshore-wind-project-us-waters>.

⁹ Vineyard Wind, Vineyard Wind 1, <https://www.vineyardwind.com/vineyardwind-1> (last visited Feb. 9, 2024)

New Bedford's importance in advancing national priorities and provided grant funding to deliver on those priorities.¹⁰ But where the Administration is investing, GSA is seeking to divest by eliminating a key federal asset that could support the expansion of critical agencies, including the NOAA, USDA, the Bureau of Ocean and Energy Management, and the Environmental Protection Agency. In particular, the city of New Bedford is highly motivated to support an expansion of NOAA's footprint to better support collaboration with, engagement to, and oversight of the fishing industry. We understand NOAA is now undertaking a business case study to plan future facility needs nationally and in the northeast. With the NOAA study pending and other growing federal interests in the region, GSA's decision to dispose of the HKFB is unwise and fails to reflect facts on the ground or national needs.

Lastly, GSA has shared that a major driver of this planned disposition is that HKFB's current expenses exceed HKFB's total revenues, leading to a negative Funds from Operations (FFO) for multiple years. According to the GSA, the HKFB had a net-negative Fiscal Year 2023 FFO of \$442,756. From our conversations with the GSA Regional Office, we understand the revenues associated with the FFO correspond to the market-rate rents that GSA assesses the agency tenants for occupying the HKFB. The city of New Bedford is fortunate to have comparatively lower market-rate rents, which leads to lower rent revenues from the tenant agencies. If New Bedford had higher market rents, the GSA would assess higher rents on tenants, leading to a higher FFO, which could help protect the building from asset disposition and support reinvestment in the building. The application of FFO is disadvantaging the city—as well as other lower-cost cities—from maintaining a federal asset footprint. This raises serious equity concerns about how GSA maintains federal buildings in more affordable gateway cities with lower market-rate rents, especially in those cities with higher working-class or low-income populations and communities of color. The GSA is divesting where it should be investing to maintain equitable federal services and footprint.

According to the GSA, the HKFB is 40,000 gross square feet with a reported 24 percent vacancy rate. Further, the building is on a 1.16 acre lot, with a significant portion of the lot dominated by parking spaces.¹¹ According to the Mayor's office, the city owns two parking garages with unused capacity within a short walking distance of the HKFB. Together, the existing vacancy combined with the open lot offer the potential for both expansion of the building and key agencies' footprints. But yet again, we understand the GSA did not proactively inquire with the delegation, the city, or other agencies to identify strategies for eliminating the HKFB's vacancies, expanding the federal footprint, directing federal funding to address HKFB's outstanding reinvestment needs, and ultimately addressing the shortfall in the building's FFO.

Considering the failure to comprehensively engage with stakeholders in advance of this decision, the potential significant local harms of closure for the city and vulnerable


¹⁰ United States Department of Transportation, FY 2023 Port Infrastructure Development Grant Awards, https://www.maritime.dot.gov/sites/marad.dot.gov/files/2023-11/PIDP%202023%20Awards%20Fact%20Sheets_0.pdf (last visited Feb. 9, 2024).


¹¹ General Services Administration, Asset Disposition, <https://www.gsa.gov/real-estate/portfolio-optimization-strategy/asset-disposition> (last visited February 13, 2024)

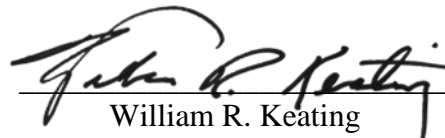
constituencies, and the elimination of this federal asset in the midst of growing national interests in New Bedford, we oppose the planned transition of the HKFB from federal use. Until such time that a thorough investigation can be completed on localized quantitative and qualitative impacts and alternatives to dispositioning are further considered, we urge the GSA to remove HKFB from the asset disposition list and to suspend the planning for disposition. We stand ready to assist the GSA in this review and to support GSA in addressing the HKFB's maintenance and reinvestment needs.

Thank you for your attention to this matter.

Sincerely,


Edward J. Markey
United States Senator


Elizabeth Warren
United States Senator


William R. Keating
Member of Congress