



*Preserving America's Heritage*

## **Leveraging Federal Historic Buildings Working Group Meeting November 21, 2019**

### **Highlights**

Reuse of federal historic buildings – by agencies or others – should be cost-effective because agencies capitalize on decades of prior federal investment in the asset, and the asset is improved.

When agencies outlease their historic federal buildings under NHPA Section 111, it means that...

- The agency can use proceeds for preservation needs there or elsewhere, for up to two years.
- Maintenance/capital improvement costs are largely transferred to a public-private partner.
- The federal agency “land banks” the asset for later use.

More information is needed regarding agency outleasing authorities, and use thereof. Whole-building outleasing is the exception, not the rule, and is usually legislated.

More information is needed regarding agency use of outleasing proceeds, or lack thereof. It's challenging to obligate the funds within the statutory two-year limit.

It would be helpful if long-term outleased federal historic buildings, or portions thereof, counted toward Reduce the Footprint totals. Agencies should assess how much their Reduce the Footprint totals might be improved by this change.

More information is needed regarding agency decision-making frameworks for keeping historic buildings in federal ownership, and whether/how outleasing is considered as a factor. Establishing long-term mission need, understanding market challenges/opportunities, overcoming environmental concerns, and considering historic integrity, etc., are all factors.

More information is needed regarding private-sector/partner developer needs (e.g. banking interests/lending impediments).

More information is needed regarding federal historic buildings and “utilization rates.”

Clarity is needed on “giving priority consideration” to federal historic buildings under Section 110. “Prior to acquiring, constructing, or leasing a building for purposes of carrying out agency responsibilities, a Federal agency shall use, to the maximum extent feasible, historic property available to the agency, in accordance with Executive Order No. 13006.” (Section 110, § 306101)

“Consultation with the Council” under Section 111 should be discussed further. “The head of any Federal agency having responsibility for the management of any historic property may, after consultation with the Council, enter into a contract for the management of the property. The contract shall contain terms and conditions that the head of the agency considers necessary or appropriate to protect the interests of the United States and ensure adequate preservation of the historic property.” (“Section 111” § 306122)

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