

SPACE CONSOLIDATION OVERVIEW

SUMMARY:

- EPA, working with the General Services Administration (GSA), regularly evaluates its real estate portfolio to optimize space and identify cost effective recommendations for the future as well as ensure the efficient use of government resources and the long-term sustainability of our facilities.
- EPA initiated an HQ space assessment in FY 2024 with the goal of providing senior leaders with a strategy to consolidate space in Washington, DC starting in FY 2025.
- While headquarters in Washington, DC remains the priority, EPA is working to release space through national regional office and warehouse consolidations. The Appendix lists some of those ongoing efforts.
- While space consolidation remains the agency's top facilities priority, EPA is also focused on improving the workplace experience for employees. In facilities that EPA owns, like Research Triangle Park, the agency is successful in providing a healthy, safe, and positive work environment through the oversight of EPA employees and contractors.
- In facilities that the agency leases through GSA, and those owned by GSA, the agency must rely on the lessor's and GSA's contractors and services, and continues to experience challenges in some locations with rodents, malfunctioning equipment, water quality, and other workplace issues.

BACKGROUND:

- The use of and need for space in the workplace have evolved considerably over the past few years. Since the pandemic, the demands on the workplace have changed as the expansion of remote work and telework mean employees come into the office less frequently.
- To accommodate this change, the agency made considerable investments in IT tools and facility modifications that support a hybrid workforce that demands a more collaborative office work environment than how we worked in the office before the pandemic.
- The agency is reconsidering our space footprint, especially as rent continues to escalate with fewer employees coming into the office regularly. For example, EPA's headquarters space in Federal Triangle costs over \$90 million annually and accounts for 40% of our lease costs, yet we rarely occupy more than one-third of the seats across the campus.
- Congress's FY 2024 budget required agencies to report which federal buildings are not achieving a 60% occupancy threshold, and companion bills enforcing this threshold have been introduced in both the House and the Senate. To achieve this occupancy, EPA would have to release multiple buildings in Federal Triangle.
- Because EPA's annual appropriation levels do not provide funding at the level the agency anticipates as necessary to consolidate space and co-locate employees in collaborative work environments, EPA is working with GSA to identify locations to participate in the Space Optimization Program to defer upfront costs associated with space relocation and consolidation efforts.
- EPA is evaluating long-term plans for our four leased laboratories (Regions 1, 6, 7 and 9) due to the high cost of leasing commercial laboratory space. The agency is focused on preserving the necessary laboratory functions while optimizing the use of EPA-owned laboratory space at minimal cost to the taxpayer.
- Currently, there are no plans to vacate the EPA-owned laboratory facilities at Region 2 in Edison, New Jersey (NJ), Region 3 in Ft. Meade, Maryland (MD), or Region 10 in Manchester, Washington (WA); nor is there a plan to move or modify one GSA/government-owned laboratory facility in Region 5, Chicago, Illinois (IL).

KEY EXTERNAL STAKEHOLDERS:

- ☒ Congress ☐ Industry ☒ States ☐ Tribes ☒ Media ☒ Other Federal Agency
☐ NGO ☒ Local Government ☒ Other (Local unions)

Local unions are involved in moves and other significant office space modifications. Local media and governments may be concerned with changes or moves within particular areas. Congress may also be concerned with moves of Federal personnel.

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