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## Public-Private Partnerships for Purposes of Federal Real Property Management

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**Congressional Research Service : Public-Private Partnerships for Purposes of Federal Real Property Management (CRS Reports)** before purchasing it in order to gage whether or not it would be worth my time, and all praised Public-Private Partnerships for Purposes of Federal Real Property Management (CRS Reports):

While public-private partnerships (PPPs) have long been used to manage real property, congressional interest in PPPs has recently increased due to the large number of underutilized and excess buildings owned by federal agencies, as

well as sequestration and other spending constraints. There is no single, accepted definition of public-private partnership, and PPPs can be structured in many ways. However, for purposes of this report, a PPP is an agreement whereby a nonfederal entity acquires the right to use a real property owned or controlled by a federal agency typically through a long-term lease in exchange for redeveloping or renovating that property (or other property). In many cases, the agency and the nonfederal entity share the net cash flow or savings that result from the agreement. The term real property is defined by the Federal Management Regulation as any interest in land under the control of a federal agency except the public domain; lands reserved or dedicated for national forest or park purposes; minerals in lands withdrawn or reserved from the public domain; other lands withdrawn or reserved from the public domain; and crops separated from the land. The process of forming a PPP typically begins when a federal agency identifies real property that could provide greater benefits to the government if it were redeveloped or renovated. The agency then works with nonfederal partners to see if a redevelopment strategy could be devised that provides the agency with the benefits it seeks, and the nonfederal partner with financial returns sufficient to cover the risk of investing in the property. The redevelopment strategy and method of financing are closely linked. The former refers specifically to the work that the nonfederal partner agrees to undertake, while the latter is a combination of the revenue generated from the improved space and, in some cases, savings realized by reduced operating costs. Financial benefits to the government may also include a division of property cash flows. Two common redevelopment and financing structures entail (1) leasing property to a developer, which then constructs a new facility on the land and subleases the facility; and (2) giving a developer excess real property in exchange for the developer building a facility for the agency on other land that the agency owns. Federal law is generally silent as to PPPs, per se, particularly PPPs for purposes of improving or disposing of federal real property. A number of states have laws that define public-private partnership, and expressly authorize one or more state agencies (often, the Department of Transportation) to enter PPPs in general or for specific purposes (e.g., toll roads). With certain narrow exceptions (e.g., P.L. 106-407), federal law has no comparable provisions. Instead, those agencies which have, to date, entered agreements that could be characterized as PPPs have typically done so under their authority (1) to lease, otherwise convey, or permit the use of federal real property; or (2) to enter procurement contracts, particularly energy savings performance contracts (ESPCs). While the authorities as to procurement contracts often apply to all executive branch agencies, those as to leases generally apply only to specific agencies and properties, and sometimes only to agreements entered into for specific purposes. Thus, there is considerable variability in the types of PPPs that agencies may enter, and some uncertainties as to the legal requirements to which such partnerships are subject. When contemplating expanded use of PPPs, Congress may wish to consider the limited information available about existing authorities that may permit landholding agencies to enter PPPs, and whether and how these authorities are currently being utilized.