

**PROSPECTUS – LEASE  
INTERNAL REVENUE SERVICE  
U.S. TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION  
KANSAS CITY, MO**

Prospectus Number: PMO-01-KC19  
Congressional District: 05

**Executive Summary**

The General Services Administration (GSA) proposes a lease for approximately 1,140,000 rentable square feet (RSF) for the Department of the Treasury's Internal Revenue Service (IRS) and U.S. Treasury Inspector General for Tax Administration (TIGTA). IRS and TIGTA are currently housed at 333 West Pershing Road in Kansas City, MO, under a lease that expires on November 30, 2021.

The lease will provide continued housing for IRS and TIGTA and will improve the office and overall space utilization rates from 118 to 95 and 193 to 156 usable square feet (USF) per person, respectively.

**Description**

Occupant:	IRS and TIGTA
Current RSF	1,140,000 (Current RSF/USF = 1.13)
Estimated/Proposed Maximum RSF:	1,140,000 (Proposed RSF/USF = 1.13)
Expansion/Reduction RSF:	None
Current USF/Person:	193
Estimated/Proposed USF/Person:	156
Expiration Dates of Current Lease(s):	11/30/2021
Proposed Maximum Leasing Authority:	20 years
Delineated Area:	North: I-70/I-35 South: 31st Street East: Campbell Street and I-70 West: I-35 and Summit Street
Number of Official Parking Spaces:	4,900
Scoring:	Operating
Current Total Annual Cost:	\$37,825,200 (leases effective 12/1/2006)
Estimated Rental Rate <sup>1</sup> :	\$30.59 / RSF
Estimated Total Annual Cost <sup>2</sup> :	\$34,872,600

<sup>1</sup> This estimate is for fiscal year 2022 and may be escalated by 2 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced including standard operating expenses, whether paid by the lessor or directly by the Government. GSA will conduct the procurement using prevailing market rental rates as a benchmark for the evaluation of competitive offers and as the basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government.

<sup>2</sup> New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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**Background**

The building at 333 West Pershing Road comprises 1,140,000 RSF and was constructed in 2006 to consolidate numerous IRS locations in the Metropolitan Kansas City, Missouri, area into a Federal income tax submissions center for IRS. The lease included the adaptive reuse of the historic Kansas City Main Postal facility as part of the building.

GSA will consider whether IRS and TIGTA'S continuing housing needs should be satisfied in the existing location based on an analysis of other potential locations within the delineated area. If other potential locations are identified, GSA will conduct a cost-benefit analysis to determine whether the Government can expect to recover the relocation and duplication costs of real and personal property needed for IRS and TIGTA to accomplish their missions.

**Justification**

IRS's mission is to provide top-quality service to America's taxpayers by helping them understand and meet their tax responsibilities, and by applying the tax law with integrity and fairness to all. TIGTA provides audits, investigations, inspections, and evaluations to protect fair administration of the Federal tax system and ensure collection of tax revenue.

The existing building functions as an individual-tax-return paper processing and depository collection center, and is expected to retain this function even as taxpayers adopt the transition to electronic filing to an increasing degree. To reduce redundancy of processing operations, IRS is planning phased consolidation of its business-tax-return paper processing operations from Covington, Kentucky, and Fresno, California, into the Kansas City operations. Later in 2024, the paper business-tax-return processing operations in Austin, Texas, will also be moved to this location.

The current lease at 333 West Pershing Road in Kansas City, Missouri, expires on November 30, 2021. IRS and TIGTA require continued housing to carry out their missions.

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**Summary of Energy Compliance**

GSA will incorporate energy efficiency requirements into the Request for Lease Proposals and other documents related to the procurement of space based on the approved prospectus. GSA encourages offerors to exceed minimum requirements set forth in the procurement and to achieve an Energy Star performance rating of 75 or higher.

**Resolutions of Approval**

Resolutions adopted by the House Committee on Transportation and Infrastructure, and the Senate Committee on Environment and Public Works approving this prospectus will constitute approval to make appropriations to lease space in a facility that will yield the required rentable area.

**Interim Leasing**

GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the extension. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

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**Certification of Need**

The proposed project is the best solution to meet a validated Government need.

Submitted at Washington, DC, on October 12, 2018

Recommended:



Commissioner, Public Buildings Service

Approved:



Administrator, General Services Administration