DCN 7428

**MEMORANDUM**

**TO:** **DAVE VAN SAUN, JOINT ISSUES TEAM LEADER**

BRAC Commission

**FROM:** **JAMES M. BODNER**

AUG 15 2005

**RE:** **MEETING REQUEST: CONSOLIDATION OF NGA AT TWO SECURE VIRGINIA SITES**

Received

**DATE:** **AUGUST 5, 2005**

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Attached is a two-page paper laying out the arguments why INT-0004, which proposes to consolidate seven NGA sites in the National Capital Region at Ft. Belvoir, substantially deviates from the BRAC criteria and is not executable because it contains erroneous assumptions regarding the existing leases for the three buildings at the secure NGA Reston campus. Boston Properties, the owner of the Reston NGA buildings and campus proposes an alternative, not considered by DOD, to consolidate the NCR NGA facilities at two sites: Ft. Belvoir and the existing secure NGA campus with its fully UFC-compliant buildings.

On behalf of Boston Properties, I would like to request a meeting with the Commission next week to discuss in detail our proposed alternatives to INT-0004, which are executable within the BRAC timeframe; would save substantial dollars over INT-0004; and would provide redundancy to reduce vulnerability and enhance NGA mission assurance and continuity of operations at the secure, fully UFC-compliant NGA Reston campus.

I can be reached at 202-689-7900 or by email: jbodner@cohengroup.net. Thank you for your consideration.

# National Capital Region NGA: Consolidate to Two Secure Sites

**Issue**: INT-0004 (consolidate seven National Capital Region NGA sites to one site at Ft. Belvoir) substantially deviates from the BRAC Criteria and is not executable. This is due, in part, to erroneous assumptions about the existing leases for the three buildings at the secure NGA Reston campus. DOD's COBRA analysis of INT-0004 also appears to be seriously flawed, significantly underestimating the costs and payback period and overestimating the 20-year Net Present Value, which Intelligence JCSG documents indicate is a large cost, not a large savings.

**Recommended Action**: Review an alternative, not considered by DOD, to consolidate the NCR NGA facilities at two sites: Ft. Belvoir and the existing secure Reston NGA campus with its fully UFC–compliant buildings. This alternative is executable within the BRAC timeframe, would save very substantial costs compared to INT-0004, and would provide redundancy to reduce vulnerability and enhance NGA mission assurance and continuity of operations, key elements of the Intelligence JCSG's framework. This alternative could be structured such that (a) the secure, fully UFC-compliant NGA Reston campus would continue to be leased; or (b) the campus would be purchased by the U.S. Government. Boston Properties, the owner of the NGA Reston buildings and campus, is prepared to meet with the Commission on an urgent basis to discuss in detail this Alternative; such meeting can be arranged via The Cohen Group: 202-689-7900; jbodner@cohengroup.net.

**Background:** The lease for NGA's Reston 2 building (264K sf) expires in OCT 2009; under the lease, if NGA desires an extension it must be through JUN 2016, and not for a shorter period. The lease for Reston 1 (255K sf) expires in MAY 2010; the only extension permissible under the lease also is until JUN 2016. The lease for Reston 3 (182K sf) expires JUN 2012, with the same 2016-only extension option. If NGA does not extend the leases, NGA incurs significant financial penalties under the terms of the lease, which do not appear to have been accounted for in DOD's cost analysis. In addition, if NGA vacates the Reston campus buildings, it will be obligated under the current leases to pay retrofit costs estimated to be tens of millions of dollars.[1]

For reasons of security, NGA almost certainly would vacate all three Reston buildings at the time it vacates the first building in OCT 2009, given the unacceptability of NGA sharing the site with commercial activities. This would leave just over three years to approve, design, construct, complete and outfit some 700,000 sf of facilities at Ft. Belvoir to replace the Reston buildings. This is infeasible and is only made even more so by the large number of projects that will be underway at Ft. Belvoir during the same timeframe. DOD's COBRA Net Present Value Report appears to suggest that DOD's plan for NGA consolidation does not envision relocating these NGA functions from Reston 1, 2 and 3 to Ft. Belvoir by OCT 2009.

Accordingly, if INT-0004 were endorsed in its present form, NGA either would have to (a) extend its Reston leases to 2016, but vacate the Reston buildings early in the extension period to move to Ft. Belvoir – yet still incur rent through 2016 and other obligations under the existing leases estimated to total $86 million[2]; or (b) relocate in OCT 2009 from Reston to a large interim space (~700,000 sf) before moving to Ft. Belvoir. The Intelligence JCSG believed that

[1] Site inspections likely would be needed to develop detailed estimates.
[2] Estimate assumes a move from Reston to Ft. Belvoir at the end of 2011.

"Relocation of existing functions [under INT-0004 is] not required prior to construction." This belief appears to have been based on a misunderstanding of the terms of the Reston leases, a misunderstanding that NGA senior leadership appears to suffer from even today.

**The Alternative**: The Alternative would maintain in the Reston 1 and Reston 2 buildings the NGA activities currently sited there and would move the NGA Dulles activities to Reston 3, which is NGA's plan with or without BRAC. The Alternative would consolidate the remaining NGA activities from dispersed NCR sites to Ft. Belvoir consistent with INT-004.

The Alternative recognizes the benefits of consolidation, while also recognizing the value of some redundancy to reduce vulnerability and enhance NGA's continuity of operations capability and mission assurance, which were key elements of the Intelligence JCSG's framework for analysis. Such redundancy was an important factor in DOD's recommended consolidation of a number of headquarter and service activities[3] and should be an even greater consideration in the case of a war-supporting agency such as NGA. Note that the Intelligence JCSG rejected INT-0005 because it would have created vulnerability risks by collocating NGA and NSA activities, even though this would have been within a very secure military installation. Had the Intelligence JCSG been aware of this Alternative and the facts regarding the NGA Reston secure campus, fully UFC-compliant buildings, and lease terms, it might well have applied the same logic and recommended the Alternative.

Instead, consistent with other JSCGs' handling of leased space[4], the record demonstrates that the Intelligence JCSG shifted very early in its deliberations from a generalization that 'leased space generally is more costly and less secure than military installations' to an erroneous belief that all leased facilities within its purview failed to meet the UFC, were more costly, and needed to be vacated. In the Intelligence JCSG's Minutes, "leased space" became synonymous with "vulnerable," despite the largest component of leased space in the Group's purview (i.e., the NGA Reston campus and its buildings) actually being fully compliant with DOD's AT/FP criteria.

**The Reston buildings are fully compliant with the DOD Uniform Facilities Criteria**, including standoff distances of buildings from the campus's controlled perimeter; progressive collapse avoidance; protective glazing; mailroom ventilation; emergency air distribution shutoff; parking control; and other UFC requirements.

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[3] See HSA JCSG Final Report. See also Deputy Secretary of Defense (Acting) Gordon England letter to Chairman Anthony J. Principi, July 14, 2005, page 13, which highlights the need for strategic redundancy when consolidating DFAS.

[4] See Testimony and attachments of Senator John W. Warner to the BRAC Commission, July 7, 2005, and testimony and attachments of Arlington County to the BRAC Commission, July 7, 2005, for detailed discussions of how the HSA JCSG and Technical JCSG improperly treated leased space, including assuming all leased space to be inherently vulnerable, despite the HSA JCSG erroneously indicating that it evaluated leased facilities individually rather than as a class.