

Statement of Mr. Donald G. Bathurst
Chief Administrative Officer
Department of Homeland Security
House Committee on Homeland Security
Subcommittee on Management, Investigations and Oversight
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Chairman Carney, Ranking Member Bilirakis, and Members of the Committee, good morning. Thank you for the opportunity to appear before this Committee and for the support and efforts in consolidating the Department's headquarters operations.

I am Donald Bathurst, Chief Administrative Officer of the Department of Homeland Security (DHS). In this position, I serve as the Department's Senior Real Property Officer and the Senior Policy Official for historic preservation matters. I am here today to update you on the DHS National Capital Region (NCR) Housing Master Plan and our progress toward the establishment of a DHS Consolidated Headquarters Campus at St. Elizabeths.

DHS and component headquarters employees currently occupy more than seven million gross square feet (GSF) of office space, in nearly 70 buildings throughout 40 locations in the NCR. These numbers will increase, as we have more than 25 space requests pending with the U. S. General Services Administration (GSA) to meet the demands of the Department and component headquarters. This extreme dispersion of the DHS workforce imposes inefficiencies in our daily operations.

The centerpiece of our Housing Master Plan is a Consolidated Headquarters at St. Elizabeths that will support operations and integration. Given the magnitude of our space requirements, and the lack of a NCR site capable of housing the entire Department, DHS carefully analyzed the critical core mission execution functions and determined that a minimum critical mass of 4.5 million GSF of office space plus parking must be collocated on a secure campus for effective and efficient management across all business lines. The housing plan is structured to manage the anticipated growth through the off-campus housing while maintaining a stable 4.5 million GSF occupancy for the critical core functions of leadership, operations coordination, program management and policy at the consolidated campus.

Realigning our Headquarters (HQ) facilities to enhance mission execution also provides benefits from a total ownership cost perspective. GSA estimates through The Automated Prospectus System (TAPS) that the St. Elizabeths development will result in a 30 year present value cost advantage of approximately \$631 million over the cost of individually replacing leases as they expire without the benefit of consolidation or federal construction. In addition, through the sharing of common services on the campus, and reductions in administrative overhead due to fewer occupied locations in the NCR, we will extract additional efficiencies through the implementation of the DHS NCR Housing Master Plan.

The Department is very pleased with the close cooperation and support we have received from Congress, and particularly the Homeland Security Committees, and the District of Columbia Government on this project. The breakthrough in the Master Plan development was the opportunity to synchronize the East Campus and West Campus developments for the benefit of both Homeland Security and the District of Columbia. The National Capital Planning Commission played an important role in our development of a plan that spans both campuses to reduce impacts on the West Campus historic resources. DHS believes that this minimizes harm to this National Historic Landmark. We relocated a portion of our program to the East Campus that will allow DHS to obtain a consolidated 4.5 million square feet of office space, address density concerns on the West Campus, and still provide a campus that can function as a single unified headquarters. It will also further enhance our interaction with the community and serve as a catalyst for retail and commercial development on the East Campus.

The St. Elizabeths Master Plan for development of the DHS Consolidated Headquarters is a successful integration of historic preservation with agency requirements and has benefited from an extensive public involvement process to improve the final product. The Master Plan was approved by the U.S. Commission of Fine Arts on November 20, 2008. The National Capital Planning Commission approved the Master Plan for the West Campus at its January 2009 meeting contingent on GSA's ability to construct the west access road connecting Firth Sterling Avenue, SE to the modified Malcolm X Avenue, SE / I-295 Interchange, through the Shepherd Parkway. NCPC commented favorably on the East Campus plan, but required that GSA submit an Amendment to the Final Master Plan for NCPC review and approval of both the East Campus plan and the access road improvements. Both of these Federal planning and design authorities recognized the significant improvements to the final Master Plan that were made during the consultation process that will preserve this National Historic Landmark (NHL). The final West Campus Master Plan minimizes harm to the landmark to the maximum extent possible, while creating a functional campus supporting our mission.

The DHS Consolidated Headquarters at St. Elizabeths will adaptively reuse 52 of the 62 buildings that contribute to the NHL on the West Campus; representing approximately 99 percent of the square footage relating to the landmark status. Eight of the 10 buildings to be demolished are severely degraded greenhouses that do not lend themselves to adaptive reuse. New construction is placed in areas of previous historic development that has since been demolished to preserve the important view sheds to, from and within the campus. Parking is placed at the perimeter to retain the historic walking nature of the campus and is consistent with NCPC guidance on employee parking ratios for day workers and 24/7 functions.

GSA selected award winning architects to ensure that new building designs are compatible with the existing historic fabric of the campus. The concept for the new U. S. Coast Guard Headquarters Building is a prime example of the successful integration of preservation goals and programmatic requirements through innovative design. The consulted stakeholders have reacted very favorably to the concept presentations for the

Coast Guard building, and GSA expects to award a Design-Build Bridging Contract for this new facility by the fourth quarter of FY 2009.

The DHS Consolidated Headquarters at St. Elizabeths will provide significant benefits to the community. The project will create direct employment opportunities for more than 32,000 persons in the region for construction and construction-related activities (not including the 14,000 Federal employees who will work at St. Elizabeths). As a result of these jobs, the economy will gain payroll earnings of approximately \$1.2 billion through the planned completion in FY 2016. GSA and DHS continue to work closely with District of Columbia Government officials and community leaders to synchronize the East Campus Small Area Plan in order to help ensure that neighborhood residents are positioned to take advantage of the opportunities associated with the project. Recently, GSA and Congresswoman Eleanor Holmes Norton co-sponsored a U. S. Small Business Administration 8(a) Certification Seminar attended by more than 30 local business owners. The DHS Chief Human Capital Office has already started outreach on future employment opportunities at the campus with a briefing to the Ward 8 Business Council.

While the campus will be designated an Interagency Security Committee Level 5 secure facility, the department is committed to working with the community and the consulting parties to provide scheduled public access to the area known as the Point, as well as the auditorium. We believe we can accommodate this access while still preserving our security and operational requirements. The Final Master Plan also provides for the West Campus Cemetery to be situated outside the DHS security perimeter, maximizing public access to this previously secluded and interesting asset.

Historically, the campus has been physically separated from the community. The wall along Martin Luther King, Jr. Avenue protected patients' privacy and provided a physical barrier between the public and the patients. Although the wall will remain because of its historic significance, the interaction that once existed between the community and the hospital will be restored and enhanced with DHS Headquarters. Our Components, such as the U.S. Coast Guard, have a rich tradition of being located in, and integral parts of, the communities they serve. We intend to continue and expand those efforts and look forward to being a good neighbor and a valued member of the Ward 8 Community.

I want to thank the Committee for their support for the project, specifically Chairman Thompson, Ranking Member King, Chairman Carney, Ranking Member Bilirakis and Congresswoman Norton for their leadership in urging funding as shown in the FY 2009 DHS Appropriations Act. This law provides \$97.58 million for tenant requirements to begin construction of the new Coast Guard Headquarters on the West Campus, which is the first phase of our Consolidated Headquarters effort. Now that GSA has received their FY 2009 appropriation for the project, jointly we look forward to starting the building construction in earnest this fiscal year.

Further, the American Recovery and Reinvestment Act of 2009 provides an additional \$200 million for DHS and \$450 million for GSA to continue with the Phase 1 and Infrastructure construction and design for the following phases of the St. Elizabeths

project. Again, the Department is very appreciative of Chairman Thompson and Ranking Member King's support and the coordination with Chairman Lieberman and Ranking Member Collins of the Senate, in obtaining this funding. We are working close with GSA on the timely execution of these funds.

While St. Elizabeths is the center of gravity for our HQ portfolio realignment, I want to touch briefly on the mission support consolidation effort as we characterize both of these initiatives as "two sides of the same coin". As functions move to St. Elizabeths, our plan is to simultaneously address our growth requirements while consolidating the remaining occupancies and minimizing vacancy risk. We envision an end state portfolio of about eight to nine locations in the NCR including Federally-owned space at St. Elizabeths, the Nebraska Avenue Complex, the Ronald Reagan Building, and the U. S. Secret Service's Headquarters. We also plan to retain the long term lease locations currently housing the Transportation Security Administration and Immigration and Customs Enforcement. We plan to then consolidate the remaining functions at a small number of locations dependent upon market conditions.

The St. Elizabeths Campus offers a tremendous opportunity to create a secure, state-of-the-art Headquarters that will foster the Department's ability to focus on achieving our core mission—to protect the homeland. We look forward to the opportunity to redevelop and preserve the St. Elizabeths National Historic Landmark for generations to come. I would be pleased to answer any questions the Committee may have.