



MAY 13 2002

TO: See Addresses

FROM: Chair, NIH Facilities Planning Advisory Committee

SUBJECT: Approved NIH Rent Rules and Policies

The Facilities Planning Advisory Committee (FPAC) has been considering a number of rent rules and policies. After receiving input from the IC Executive Officers, the Scientific Directors, the NIH IC Directors, and the NIH Leadership, and after extensive discussion by the FPAC, NIH is adopting the rent policies that are defined below with the concurrence of the Acting NIH Director.

Experience from the first two years of charging "rent" to the ICs for their space and comparisons with the private sector's "best practices" highlighted the need for consistent rules and policies. The general principles are that *those who benefit pay the costs* and that *NIH's costs must be recovered*. Establishing such rules is particularly important given the expectation that more than 1.4 M Net Square Feet (NSF) of space will move in 2004.

The five rules and policies that are hereby adopted are:

1. Rent will be charged to the IC for optional, temporary use of all NIH Director's Reserve as "swing space" to facilitate renovations or until permanent space is ready.
2. An occupancy policy and processes are established to help assure tenant occupancy, particularly for projects which are interconnected to a cascade of moves affecting multiple ICs. These policies and processes include: a "change moratorium" period for each project; a "contract" that defines what must be complete before the space is "ready" for occupancy; and an appeal process if an IC does not want to move as scheduled. The attached specific policy was written to cover on-campus laboratory construction because that is the most difficult scenario, but the underlying principle is applicable to all space. Similar policies for off-campus labs, and on- and off-campus offices will be developed.
3. When ICs are allocated additional space, rent for the space will begin as of the date of possession. That date is the lease start date for newly acquired space and is the assignment date for space which already exists in the NIH space portfolio.
4. A detailed policy on "forced moves" is attached. An IC, or the NIH OD or a Central Service Office and Center (CSOC), which is forced to relocate from its current space by either an IC or by "NIH Corporate," will receive space and funding compensation for the forced move by the organization causing the forced move. Such a move is usually proposed to meet a specific IC or "NIH Corporate" need, however, there is discussion between the affected ICs and a decision from the "NIH Corporate" perspective before a given proposal is viewed as a "forced move." Since the FPAC and NIH Leadership provide the overall policies for space allocation with the SRB providing implementation, those groups provide the "NIH Corporate" oversight in such instances.

5. NIH will acquire and maintain a "rolling NIH Director's Reserve" of 25,000 NSF of research space and 25,000 NSF of administrative space in off-campus clusters. This means that as a block of space is committed to an IC, the space is replaced in the Director's Reserve. This reserve space is intended to provide a "pipeline" of new space that can be available within a year and will be funded from the rent charged to the ICs for existing space on- and off-campus.

These rules will be implemented immediately, as of the date of this memorandum. They will apply to all new projects and all space acquisition and/or space reassignment projects which are part of the multiple, interconnected moves slated for 2004. Other projects, which have already begun and are not part of the 2004 relocations, will be handled on a case by case basis. Implementation appeals will be handled by the NIH Space Recommendation Board (SRB) as the implementation arm of the FPAC for the NIH Director.

/Signed/
Richard Hodes, M.D.

I concur with the adoption of the new NIH Rent Rules and Policies described above by the FPAC.

/Signed/
Ruth L. Kirschstein, M.D.
Acting Director, NIH

5/16/02
Date