

GAO

Report to the Chairman, Subcommittee on
Federal Financial Management, Government
Information, Federal Service, and International
Security, Committee on Homeland Security and
Governmental Affairs, U.S. Senate

December 2012

FEDERAL REAL PROPERTY

Improved Data
Needed to
Strategically Manage
Historic Buildings,
Address Multiple
Challenges



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Accountability * Integrity * Reliability

Highlights of [GAO-13-35](#), a report to the Chairman, Subcommittee on Federal Financial Management, Government Information, Federal Service, and International Security, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

The federal government has made some progress addressing previously identified issues with managing federal real property. This includes establishing the Federal Real Property Council (FRPC) and creating the FRPP database to identify and report agencies' real property, including attributes such as historic status. GAO was asked to assess issues related to historic preservation at nondefense agencies. GAO's review focused on—GSA, NPS, and VA—three nondefense agencies that hold significant numbers of historic buildings. This report identifies (1) actions these agencies have taken to manage historic federal buildings, and (2) any challenges they have faced. GAO selected and visited a sample of 31 historic buildings managed by the three agencies. The results of these site visits cannot be generalized but provide important insights. GAO interviewed agency officials and reviewed agencies' efforts to preserve, use or lease, and improve the sustainable performance of those buildings. GAO also interviewed officials from the selected agencies about their agencies' preservation programs, including actions to identify and report on their historic buildings.

What GAO Recommends

GSA—in collaboration and consultation with NPS, VA, and FRPC member agencies, and others—should ensure that the action plan being developed to improve FRPP also addresses the need for improved data on historic buildings. GSA agreed with GAO's recommendation and further reported that it has, in part, already taken action to rectify inconsistencies GAO found between GSA's FRPP data and its internal data sources.

View [GAO-13-35](#). For more information, contact David Wise at (202) 512-2834 or wised@gao.gov.

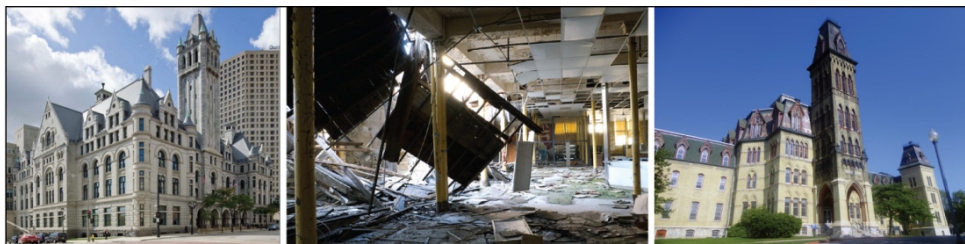
FEDERAL REAL PROPERTY

Improved Data Needed to Strategically Manage Historic Buildings, Address Multiple Challenges

What GAO Found

The General Services Administration (GSA), the National Park Service (NPS), and the Department of Veterans Affairs (VA) have undertaken portfolio-wide efforts in recent years to identify historic buildings they hold, nominate some of those buildings to the National Register of Historic Places, and manage their historic buildings in an effort to comply with the requirements in the National Historic Preservation Act (NHPA) and relevant executive orders. While these agencies use and preserve some of their historic buildings to meet mission needs, others are excess or unsuited for current mission needs. GAO found several instances in which these agencies leased part or all of some historic buildings to non-federal entities that could use and preserve the buildings. GAO also found that these agencies had implemented projects in some of their historic buildings to improve their sustainable performance, such as installing green roofs and energy-efficient heating and cooling systems.

GSA, NPS, and VA face an array of challenges in managing historic buildings, including functional limitations of older buildings in relation to contemporary mission needs and current building codes, budgetary limitations, and competing stakeholder interests. Competing stakeholder interest can become apparent during the required consultation with stakeholders, such as the state historic preservation officers, prior to implementing projects that may affect a historic building. Compounding these property management challenges, the selected agencies' data on historic buildings in the Federal Real Property Profile (FRPP) are not complete. GSA and VA are still working to evaluate many buildings that are over 50 years old. Also, GSA and NPS have not reported complete and consistent historic-building data to the FRPP—in comparison to data they track within their agencies' historic-building databases. GAO reported its concerns with the reliability of FRPP data in 2012. This review emphasizes the relevance of these concerns to the historic-building data included in the database. In June 2012, GAO recommended improvements to the FRPP database to enhance its consistency, completeness, and usefulness in federal decision making. Such improvements are also necessary to increase the consistency and completeness of historic-building data in the FRPP.



Sources: GSA (left) and GAO (center and right).

In Milwaukee, the U.S. Federal Building and Courthouse, built in 1899, was recently rehabilitated by GSA (left), while VA's "Old Main" building, built in 1869, is at risk of collapse (center and right).

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Abbreviations

ACHP	Advisory Council on Historic Preservation
FRPC	Federal Real Property Council
FRPP	Federal Real Property Profile
GSA	General Services Administration
Guiding Principles	<i>Guiding Principles for Federal Leadership in High Performance and Sustainable Buildings</i>
National Register	National Register of Historic Places
NHPA	National Historic Preservation Act of 1966
NPS	National Park Service
OMB	Office of Management and Budget
Recovery Act	American Recovery and Reinvestment Act of 2009
VA	Department of Veterans Affairs

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Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

December 11, 2012

The Honorable Thomas R. Carper
Chairman
Subcommittee on Federal Financial Management,
Government Information, Federal Service,
and International Security
Committee on Homeland Security
and Governmental Affairs
United States Senate

Dear Mr. Chairman:

The federal government's real property portfolio is vast and diverse, including almost 400,000 buildings that are owned or leased. Thousands of these buildings have been recognized as historically significant. The National Historic Preservation Act of 1966 (NHPA), as amended¹ requires agencies to establish a preservation program to identify, evaluate, and nominate historic federal buildings to the National Register of Historic Places (National Register)² and manage those buildings in a manner that considers their historic character. As federal buildings continue to age and become eligible for historic designation, agencies will increasingly face decisions about balancing preservation with the best use, which may include leasing or selling these assets.

Historic preservation is one of many challenges federal agencies face in the area of real property management. We have designated federal real property management as a high-risk area.³ In 2007 we reported that

¹Pub. L. No. 89-665, 80 Stat. 915 (Oct. 15, 1966), codified as amended at 16 U.S.C. § 470 et seq.

²NHPA authorized the Secretary of the Department of the Interior to maintain and expand a National Register. The Secretary of the Interior is also responsible for *The Secretary of the Interior's Standards and Guidelines for Federal Agency Historic Preservation Programs Pursuant to the National Historic Preservation Act*, 63 Fed. Reg. 20496 (Apr. 24, 1998).

³GAO, *High-Risk Series: An Update*, [GAO-11-278](#) (Washington, D.C.: February 2011). Our high-risk series identifies areas at high risk because of their greater vulnerabilities to waste, fraud, abuse, and mismanagement or major challenges associated with their economy, efficiency, or effectiveness.

federal agencies have large backlogs of deferred maintenance,⁴ and we highlighted the deteriorated conditions of some federal buildings, including some that were historic.⁵ Other management problems affect both historic and non-historic buildings, and have included, for example, issues pertaining to the use and disposition of underutilized and excess property, over-reliance on costly leasing, and unreliable real property data. Over the last decade, the federal government has taken steps to manage this area more strategically, including developing the Federal Real Property Profile (FRPP)—a government-wide database—and establishing the Federal Real Property Council (FRPC).⁶ These efforts notwithstanding, challenges to federal real property management persist.⁷ For example, as we reported in 2007, competing stakeholder interests—such as those of historic building advocates and local communities—can present obstacles to disposing of real property, including historic buildings.⁸ Various versions of the Civilian Property Realignment Act are

⁴Deferred maintenance is defined by the *Statement of Federal Financial Accounting Standard No. 6*, which includes the accounting standards for deferred maintenance, as maintenance that was not performed when it should have been or scheduled maintenance that was delayed or postponed. Maintenance is the act of keeping fixed assets in acceptable condition, including preventative maintenance, normal repairs, and other activities needed to preserve the assets, so that they can continue to provide acceptable services and achieve their expected life.

⁵GAO, *Federal Real Property: Progress Made Toward Addressing Problems, but Underlying Obstacles Continue to Hamper Reform*, [GAO-07-349](#) (Washington, D.C.: Apr. 13, 2007).

⁶The FRPC is comprised of certain executive branch agencies including the departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, the Treasury, and VA; the Environmental Protection Agency; the National Aeronautics and Space Administration; the U.S. Agency for International Development; GSA; the National Science Foundation; the Nuclear Regulatory Commission; the Office of Personnel Management; the Small Business Administration; and the Social Security Administration. FRPC is chaired by the Deputy Director for Management of the Office of Management and Budget (OMB). Exec. Order No. 13327, *Federal Real Property Asset Management*, 69 Fed. Reg. 5897 (Feb. 6, 2004). The order does not apply to the U.S. Postal Service.

⁷For example, See GAO, *Federal Real Property: Proposed Civilian Board Could Address Disposal of Unneeded Facilities*, [GAO-11-704T](#) (Washington, D.C.: June 9, 2011); *High-Risk Series: An Update*, [GAO-11-278](#) (Washington, D.C.: February 2011); and, [GAO-07-349](#).

⁸[GAO-07-349](#).

pending in Congress and are aimed at, among other things, disposing of and consolidating civilian real property.⁹

You requested that we assess issues related to historic preservation at non-defense agencies. In response, we focused on three non-defense agencies that hold significant numbers of historic buildings¹⁰—the General Services Administration (GSA), the Department of the Interior’s National Park Service (NPS), and the Department of Veterans Affairs (VA).¹¹ Our objectives were to identify (1) actions these agencies have taken to manage historic federal buildings, and (2) any challenges they have faced.

To address our objectives, we reviewed relevant laws, regulations, and executive orders governing how agencies should identify, report on, and manage the historic buildings in their portfolios. Not only do GSA’s, NPS’s and VA’s portfolios include significant numbers of historic buildings, but these agencies also include a diverse range of building types, such as, office buildings, courthouses, park facilities, museums, and hospitals. We interviewed agency officials about their historic preservation programs and obtained and analyzed related agency documents. To gather detailed examples of agencies’ historic preservation efforts, we visited a non-probability sample¹² of 31 federal historic buildings in five metropolitan areas: (1) Boston, Massachusetts; (2) Washington, D.C.-Baltimore, Maryland; (3) Chicago, Illinois; (4) Milwaukee, Wisconsin; and (5) San Francisco, California. We selected buildings based on input received from

⁹See e.g., S. 2232, 112th Cong. (2012); H.R. 1734, 112th Cong. (2011).

¹⁰We focused our review on historic buildings, and did not examine other federal assets such as historic lands (such as national forests) or structures (such as bridges) held by the selected agencies.

¹¹Our review of FRPP’s fiscal year 2010 summary report found that GSA, the Department of the Interior, and VA account for just under 50 percent of non-defense buildings and structures held by the federal government (it does not disaggregate buildings and structures). Additionally, our review of the Department of the Interior’s fiscal year 2010 data submitted to FRPC showed that NPS managed nearly 60 percent of all of Department of the Interior’s buildings.

¹²Because this is a non-probability sample, observations from these site visits, taken alone, do not support generalizations about other properties. Rather, the observations provided specific, detailed examples of challenges agencies face managing their historic buildings and some actions taken to address some of the challenges. Also, the sites we visited were largely located in urban and suburban areas and the challenges facing historic buildings in rural and isolated locations may be different.

agency officials, the Advisory Council on Historic Preservation (ACHP),¹³ state historic preservation officers, and our own judgment. This approach yielded a diverse group of buildings in terms of use, age, size, and condition that provided illustrative examples of the agencies' broader policy initiatives. We reviewed agencies' documentation on recent, current, or planned efforts to manage these historic buildings. We also gathered and analyzed agency data on historic buildings, including data reported by these agencies to government-wide data sources such as FRPP, the National Register, and the ACHP's triennial Preserve America reports.¹⁴ Appendix I provides a more detailed description of our scope and methodology. Appendix II provides a list of the 31 buildings where we conducted site visits.

We conducted this performance audit from November 2011 to December 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The federal government's real property portfolio reflects the diversity of agencies' missions and includes a variety of building types, such as office buildings, courthouses, post offices, hospitals, prisons, laboratories, border stations, and park facilities. That portfolio includes many historic buildings held by GSA, NPS, and VA. GSA and NPS's real property policies place an emphasis on historic building stewardship. GSA serves as broker and property manager for many civilian federal agencies while NPS manages the nation's national park system for current and future generations.¹⁵ GSA established its "Legacy Vision" in 2002 as a strategy

¹³ACHP is an independent federal agency that advises the President and Congress on national historic preservation policy and federal agencies' preservation programs.

¹⁴In accordance with Executive Order 13287, ACHP issues a report every 3 years on the state of the federal government's historic properties. To facilitate the report, executive agencies with real property management responsibilities are required to provide assessments of their inventories of historic properties and their progress in identifying, protecting, and using their historic properties to ACHP and the Secretary of the Interior. *Preserve America*, 68 Fed. Reg. 10635 (Mar. 5, 2003).

¹⁵In general, GSA does not serve as a broker for NPS and VA real property actions.

for meeting its federal historic stewardship responsibilities¹⁶ and declared a policy preference for using, preserving, and leasing historic buildings.¹⁷ Similarly, in providing for the stewardship of the nation's cultural resources, NPS reinforced its commitment and goal to preserve historic buildings in its 2011 *Call to Action: Preparing for a Second Century of Stewardship and Engagement*.¹⁸ VA's core mission is to provide care and services to the nation's veterans. While hospital buildings, some of which are historic, are critical to providing healthcare services, VA began to realign its real property portfolio in 2004 to better respond to the demographic shifts and evolving needs of both its older and younger veteran populations. As VA realigns its portfolio, it has determined many of its historic buildings are not suitable to support modern healthcare delivery and are now inactive or excess to VA's needs.

In NHPA, Congress expressed concern that historic properties significant to the nation's heritage—which include both public and privately owned buildings—were being lost or substantially altered.¹⁹ Thus, NHPA authorized the Secretary of the Department of the Interior to maintain and expand the National Register as a means of identifying historic properties,²⁰ including those owned by the federal government, and NHPA requires federal agencies to identify and nominate their historic properties to the National Register.²¹ The National Register is comprised of many different types of historic properties to include historic districts, sites, buildings, structures (such as a bridge), and objects (such as a fountain) that are significant to American history, architecture,

¹⁶GSA's policy manual, *Procedures for Historic Properties*, issued in 2003, contains the agency's comprehensive policies detailing roles and procedures for complying with NHPA.

¹⁷Under GSA's "Legacy Vision", the agency gives priority to retaining and investing in those historic buildings that best represent the federal government's monumental public building legacy. GSA reports its "legacy buildings" are those that are well-constructed, made of durable materials, and designed in a manner that has made them adaptable to serve the changing federal space needs.

¹⁸U.S. Department of the Interior, National Park Service, *A Call to Action: Preparing for a Second Century of Stewardship and Engagement* (Washington, D.C.: August 2011). *NPS's Management Policies 2006* contains NPS' policies governing its historic buildings.

¹⁹Pub. L. No. 96-515, tit I, § 101(a) (Dec. 12, 1980), codified at 16 U.S.C. § 470(a)(3).

²⁰Pub. L. No. 89-665, § 101, codified as amended at 16 U.S.C. § 470a(a).

²¹Pub. L. No. 96-515, § 206, codified as amended at 16 U.S.C. § 470h-2(a).

archaeology, engineering, and culture.²² A building is generally not eligible for National Register listing until it is at least 50 years old, unless its historic significance is considered exceptional. While many federal buildings are historic because of the passage of time and a corresponding recognition of their historical or architectural significance locally or regionally, a smaller subset are treasured assets considered significant to the nation's history. In recognition of this, the National Register also includes buildings meeting the criteria for a national historic landmark.²³ National historic landmarks are designated by the Secretary of the Interior as possessing exceptional value or quality in representing the heritage of the nation.²⁴ The NPS reports that public and privately held national historic landmarks constitute more than 2,400 of almost 87,000 "entries" (i.e., listings) in the National Register (nearly 3 percent).

Other statutory and regulatory provisions also govern agencies' stewardship of their historic buildings. For example, agencies are required to: (1) assume responsibility for the preservation of their historic properties;²⁵ (2) consider, when a historic property is no longer needed, alternative uses or lease to persons or organizations if the action will preserve the property;²⁶ and (3) consult with ACHP and non-federal stakeholders, such as state and tribal historic preservation officers,²⁷ before undertaking actions that may affect a historic property listed or

²²See 36 C.F.R. § 60.4 for the criteria used in evaluating properties for nomination to the National Register.

²³See 36 C.F.R. § 65.4 for the criteria used in evaluating a property for possible designation as a national historic landmark.

²⁴Before a property can be designated as a national historic landmark, it must be evaluated by NPS's national historic landmark survey, reviewed by the National Park System Advisory Board, and recommended to the Secretary of the Interior.

²⁵16 U.S.C. § 470h-2.

²⁶16 U.S.C. § 470h-3(a). An agency may also exchange a historic property owned by the agency for a comparable historic property.

²⁷Pursuant to NHPA, state historic preservation officers and tribal preservation officials administer the national historic preservation program at the state level and on tribal lands, identify and nominate eligible properties to the National Register, and consult on federal agencies' undertakings. State historic preservation officers are designated by the governor of their respective state or territory, while tribal historic preservation officials are designated by their respective tribes.

eligible for listing on the National Register.²⁸ NHPA does not mandate a particular governmental decision, but instead mandates a particular process for reaching decisions.

*The Secretary of the Interior's Standards and Guidelines for Federal Agency Historic Preservation Programs*²⁹ indicate that where it is not feasible to maintain a historic building or to rehabilitate it for contemporary use, an agency may decide to modify it in ways that are inconsistent with the Secretary's treatment standards,³⁰ limit maintenance and repair investments in the building, or demolish it.³¹ Such a decision can be reached only after following appropriate consultation with stakeholders as required by NHPA.³² Federal historic buildings that are declared surplus may be made available for other uses, such as a public benefit conveyance. Under the public benefit conveyance program, state or local governments and certain tax-exempt nonprofit organizations can obtain surplus federal real property, including historic buildings, for an approved public benefit use, such as for educational facilities or to assist the homeless. Additionally, property declared excess to the federal government's need may be sold. Certain land-holding agencies have independent authority to sell real property.³³

²⁸16 U.S.C. § 470f; See 41 C.F.R. § 102-78.30. An "undertaking" means a project, activity, or program funded in whole or in part by a federal agency. 36 C.F.R. § 800.16(y).

²⁹63 Fed. Reg. 20496 (Apr. 24, 1998).

³⁰*The Secretary of the Interior's Standards for the Treatment of Historic Properties* set forth standards pertaining to the preservation, rehabilitation, restoration, and reconstruction of historic properties. 36 C.F.R. § 68.3.

³¹The standards and guidelines for federal agency preservation programs do not advocate federal historic buildings should be allowed to deteriorate or be demolished, but rather recognize that agencies' changing needs, limited budget resources, and preservation priorities may lead agencies to make those decisions after appropriate consultation.

³²In instances where federal agencies are unable to modify historic buildings in accordance with the Secretary's treatment standards, the consultation process facilitates reaching appropriate agreement on other measures that could be implemented to preserve as much of the historic fabric as possible. Thus, the preservation review process does not provide an absolute barrier to such modifications.

³³GSA has general authority to sell real property. See, e.g., 40 U.S.C. § 543. VA has the authority to sell real property under certain conditions. See, e.g., 38 U.S.C. §§ 8118, 8164. NPS does not have general authority to sell real property.

In addition to NHPA and other statutory and regulatory provisions, several Executive Orders also provide guidance for the management of federal historic buildings.

- Executive Order 13287, Preserve America, sets forth federal historic stewardship requirements, including, requiring executive agencies to report to ACHP on their efforts to identify, protect, and use historic federal properties, which include historic federal buildings.³⁴ In fiscal year 2011, GSA reported to ACHP that more than one-third of the 1,676 federally-owned buildings under its custody and control³⁵ are more than 50 years old and 479 buildings are listed on or eligible for the National Register. In fiscal year 2011, NPS reported to ACHP that it held historic properties totaling 26,636 buildings and structures (out of more than 70,000 real property assets).³⁶ It further indicated that among these historic properties, 1,482 are listed on the National Register. In fiscal year 2011, VA did not provide to ACHP a reporting of the number of historic buildings that it owns or has listed on the National Register.
- Executive Order 13514, Federal Leadership in Environmental, Energy, and Economic Performance, requires agencies to ensure, among other things, that new construction, major renovations, repairs, and alterations of federal buildings comply with the *Guiding Principles for Federal Leadership in High Performance and Sustainable Building* (Guiding Principles), such as optimizing energy performance and conserving water.³⁷ Also, agencies should ensure, when rehabilitating historic buildings, that sustainable technologies (to achieve energy and environmental conservation goals) are used to promote the long-term viability of the buildings. We have reported that the Office of Management and Budget (OMB) has incorporated information about

³⁴68 Fed. Reg. 10635 (Mar. 5, 2003).

³⁵GSA's report on its federally-owned buildings under its custody and control was as of October 2010 (i.e., end of fiscal year 2010, start of fiscal year 2011).

³⁶NPS's portfolio of 70,000 real property assets is comprised of buildings, structures, and land. In addition to historic buildings and structures (such as a bridge), NPS's inventory includes features of cultural landscapes that are managed as structures including walls, fences, and roads. NPS's reporting was based on end-of-fiscal-year-2010 data.

³⁷74 Fed. Reg. 52117 (Oct. 8, 2009). Those Guiding Principles include: (1) employ integrated design principles; (2) optimize energy performance; (3) protect and conserve water; (4) enhance indoor environmental quality; and (5) reduce environmental impact of materials.

agencies' progress in implementing those green building requirements into scorecards that OMB uses to rate agencies' performance, but that agencies face challenges.³⁸

- Executive Order 13327, Federal Real Property Asset Management, requires GSA to collect data from executive branch agencies describing the nature, extent, and use of federal real property.³⁹ The data are reported within FRPP and include data on the historic status of federal buildings and other data, such as a building's condition and if the building meets the Guiding Principles. The FRPP is maintained by GSA on behalf of FRPC.⁴⁰ The FRPP database includes approximately 400,000 buildings that are owned and leased by the federal government, many thousands of which have been determined to be historically significant. GSA releases a summary level FRPP report each fiscal year to provide an overview of the federal government's real property, but those reports do not identify how many historic federal buildings are held by individual agencies or the executive branch as a whole.

GSA and FRPC require agencies to update their FRPP data on a fiscal year basis. FRPP guidance to agencies on coding historic status indicates agencies should code their federally owned buildings within FRPP as one of the following:

- national historic landmark,
- National Register listed,
- National Register eligible,
- non-contributing element of a national historic landmark/National Register listed district,⁴¹
- not evaluated, and
- evaluated, not historic.

³⁸For example, we reported that benchmarking the energy use of some federal facilities and finding facility energy managers with an appropriate level of expertise may be challenging for agencies. GAO, *Federal Energy Management: Agencies Are Taking Steps to Meet High-Performance Federal Building Requirements, but Face Challenges*, [GAO-10-22](#) (Washington, D.C.: Oct. 30, 2009).

³⁹69 Fed. Reg. 5897 (Feb. 6, 2004).

⁴⁰In addition to collecting real property data on buildings, FRPP is used to collect data on structures and land. For the purposes of this report, we are focusing only on buildings. See appendix I for a more detailed description of our scope and methodology.

⁴¹A *non-contributing element* could be, for example, a non-historic building located within a national historic district.

GSA, NPS, and VA Are Taking Action to Manage Their Historic Buildings

The three agencies we reviewed are taking steps to improve the management of their historic buildings. For example, all three agencies have undertaken portfolio-wide management initiatives directed at nominating historic buildings in their portfolios to the National Register as required by NHPA.⁴² In addition, among the buildings we reviewed, we found examples where agencies were utilizing their historic buildings to the extent feasible for current mission needs. We also found that when the buildings were no longer suitable for current mission purposes, agencies were leasing all or part of some historic buildings to non-federal entities, as authorized by NHPA and other real property authorities.⁴³ Also, we found that GSA, NPS, and VA were implementing projects in some historic buildings to improve their sustainable performance.

Portfolio-Wide Management Efforts

All three agencies have undertaken efforts in recent years to identify the historic buildings across their real property portfolios, nominate those buildings to the National Register, and are working to manage those buildings in an effort to comply with the requirements of NHPA and the executive orders. For example, GSA started a multiyear initiative in 2004 to assess many of its older buildings that it believed were eligible for listing on the National Register. GSA officials reported this effort is nearing completion and has resulted in National Register nominations for more than 150 buildings.⁴⁴ In particular, GSA evaluated the National Register eligibility for all of its legacy monumental buildings as part of this effort. These include buildings such as courthouses, post offices, and agency headquarters, which were designed to serve symbolic, ceremonial, and functional purposes. In addition, GSA's "Legacy Vision"

⁴²Listing on the National Register provides a level of protection and review for federal buildings before federal agencies can demolish or alter the buildings in ways that impact their historic character. Listing enables federal agencies to identify those federal buildings for which agencies will seek consultations with stakeholders, such as state historic preservation officers, when planning a federal project that may adversely affect a historic building. Listing also enables federal agencies to lease out, or exchange, the building pursuant to NHPA authorities.

⁴³See e.g., Pub. L. No. 89-665, § 111, codified as amended at 16 U.S.C. § 470h-3(a). According to VA officials, it can make use of other real property authorities to lease space no longer needed. See e.g., 16 U.S.C. § 1a-2(k).

⁴⁴GSA's multiyear program to evaluate and nominate historic buildings included a diverse group of buildings to include monumental buildings, border inspection stations, surplus World War II military-industrial buildings that have been adapted for other federal uses, and mid-century modern public buildings.

policy in 2002 laid the groundwork for the agency's current stewardship efforts that are focused on the preservation, use, and disposal of historic buildings, as appropriate. GSA also used American Recovery and Reinvestment Act of 2009 (Recovery Act) funding to rehabilitate and modernize 150 of its historic buildings.⁴⁵ These projects were intended to address GSA's historic building repair and alterations backlog and ranged from comprehensive modernizations of entire buildings, such as the Federal Building at 50 United Nations Plaza in San Francisco, California, to limited scope sustainability projects such as the roof replacement project at the Milwaukee Federal Building and Courthouse in Wisconsin.⁴⁶

Similarly, NPS implemented an agreement with ACHP to address NHPA compliance and streamline consultation for its projects at national parks nationwide. NPS also recently completed its first 5-year cycle of comprehensive condition assessments on what NPS termed as a critical subset of its buildings that included accessibility assessments to identify barriers to disabled persons. This information will be used to prioritize preservation and improvement of its historic buildings, among others, and help ensure compliance with federal accessibility requirements.⁴⁷ In addition, NPS published *The Secretary of the Interior's Standards for Rehabilitation and Illustrated Guidelines on Sustainability for Rehabilitating Historic Buildings* in 2011, which, for example, outlined approaches for improving the energy efficiency of historic buildings while preserving their historical character.

⁴⁵Based on GSA's fiscal year 2011 reporting to ACHP, approximately \$1.7 billion in Recovery Act funding was used to fund repairs, alterations, modernizations, and sustainability projects in those historic buildings.

⁴⁶NPS and VA also used Recovery Act funding for rehabilitation and sustainable improvement for some of their historic buildings.

⁴⁷For example, the Architectural Barriers Act requires that buildings and facilities designed, built, altered, or leased with federal funds meet federal standards to insure whenever possible that physically handicapped persons will have ready access to, and use of, such buildings and facilities. Pub. L. No. 90-480 (Aug. 12, 1968), codified as amended at 42 U.S.C. §§ 4151-4157.

To enhance the management of its portfolio of historic buildings, VA began two multi-year national studies of 90 of its medical centers that resulted, as of April 2012, in 45 in-process or recently completed National Register district nominations. In addition, five individual medical center National Register nominations not associated with these studies were completed and four VA campuses were designated national historic landmarks in the last 3 years. Further, VA recently updated its policies and procedures governing historic preservation including identifying and evaluating historic properties, and complying with various historic preservation laws and regulations. In 2011, VA also completed a review and identified unused and underused buildings—many of which are historic—with the potential to develop, through public-private partnerships,⁴⁸ affordable housing for homeless or at-risk veterans and their families.⁴⁹ VA has also developed training on NHPA requirements for VA field staff. This training, for example, focuses on the need to consult with stakeholders such as the ACHP and state historic preservation officers as required by NHPA and its implementing regulations.

Agencies' Approaches to Manage Historic Buildings

Among the buildings we reviewed, we found examples where GSA, NPS, and VA preserved, used, and adapted historic buildings to meet their current mission needs. When historic buildings were either excess or unsuited for mission needs, we found several instances in which agencies leased part or all of a building to a non-federal entity that could use the building while preserving its historic character. As noted previously, these cases provide useful insights into agency actions related to historic preservation but are not generalizable to agencies' actions across their historic building portfolios or across the government. Among the 31 historic buildings we reviewed, we found:

- 20 buildings that were used by the federal government;⁵⁰

⁴⁸The basic structure of a public-private partnership entails the private sector providing financing to renovate or redevelop real property contributed by the federal government. Public-private partnerships are essentially financial business deals for the private sector; but for the federal government's benefits may include the possible sharing of any net cash flow resulting from a project or attainment of efficient and repaired federal space.

⁴⁹VA Building Utilization Review and Repurposing Initiative.

⁵⁰At one building we visited, the GSA headquarters building in Washington, D.C., which is currently undergoing modernization, the design includes space that is being constructed at the street-level to house four retail vendors.

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- 5 buildings that were used, in part, by federal agencies while some space was leased within those buildings—or used under a cooperative agreement—by non-federal entities;⁵¹
 - 4 buildings that were leased in their entirety to non-federal entities; and
 - 2 buildings that were vacant.⁵²

Continued use of historic buildings to meet mission needs often involves balancing the need to modernize building systems, such as mechanical systems, while preserving historical features. For example, in its renovation of the Stewart Udall Building in Washington, D.C. (Department of the Interior headquarters), GSA installed fire-rated emergency egress stairs within office space that is not historically significant in a manner that preserved the building's historic corridors. In another example, GSA repaired and restored nearly 500 historic wooden windows in the Milwaukee Federal Building and U.S. Courthouse—built in 1899—in Wisconsin, while also retrofitting the window frames with modern insulated glass. Figure 1 shows a representative window before the rehabilitation (left), a window after the rehabilitation (center photos), and an exterior view of the building (right).

⁵¹NHPA permits agencies to lease out space within federal historic buildings if such leases will ensure the property's preservation. 16 U.S.C. § 470h-3(a). NPS is authorized to enter into contracts and cooperative agreements to protect, preserve, maintain, and operate historical property for public use. 16 U.S.C. § 462(e). Additionally, NPS is authorized to, among other things, restore, reconstruct, rehabilitate, preserve, and maintain historic or prehistoric sites, buildings, objects, and properties of national historic or archaeological significance. 16 U.S.C. § 462(f).

⁵²Both buildings—the historic “Old Main” hospital building at the Clement Zablocki Medical Center in Milwaukee, Wisconsin, and the Old Grist Mill at Perry Point Medical Center in Maryland—are owned by VA. In the case of “Old Main,” VA is trying to identify an alternative use for the building. In the case of the Old Grist Mill, a plan to reuse the building has been developed but has not been implemented pending funding.

Figure 1: Milwaukee Federal Building and Courthouse Window Repair



Sources: GSA (building exterior photographs); and GAO (window interior).

Among the buildings we reviewed, we found examples where agencies sought to lease historic buildings that were not used for mission needs to non-federal entities that could fund their preservation, maintenance, and repair, and use them in ways that were sometimes supportive of the agency’s mission. As previously mentioned, the selected agencies were leasing out either all or part of 9 of the 31 historic buildings we reviewed. For example, when the Golden Gate National Recreation Area was created in 1972 in California, a number of Department of Defense installations were transferred to NPS, including Fort Mason. Through a public-private partnership, NPS has leased the 100-year old Pier #2 Shed at Fort Mason—a former military warehouse that served as an embarkation point for the U.S. Army during World War II—to a non-profit group that facilitates performing arts events within the building, thus providing a cultural resource to the public consistent with NPS’s mission. See figure 2.

Figure 2: Fort Mason Pier #2 Space Leased for Performing Arts Purposes



Source: GAO.

When a federally owned historic building becomes underutilized because it no longer serves mission needs, agencies may sell a building or exchange it for comparable historic property so long as the exchange will ensure the preservation of the historic property.⁵³ Although the 31 buildings we reviewed did not include any executed sales or exchanges, at the time of our review, NPS was considering the sale or exchange of Old City Hall—at Lowell National Historic Park in Lowell, Massachusetts—which NPS has leased to a commercial bank for more

⁵³16 U.S.C. § 470h-3. Additionally, GSA is authorized to convey to any state or locality surplus property that the Department of the Interior determines is suitable and desirable for use as a historic monument for the benefit of the public. 40 U.S.C. § 550(h). As noted earlier, NPS does not have authority to sell real property.

than 25 years.⁵⁴ Outside the 31 historic buildings included in our review, examples of sales or exchanges of federally owned historic buildings include a former U.S. Courthouse in Cedar Rapids, Iowa, that was transferred to the City of Cedar Rapids in 2010 in exchange for a site to support the construction of a new federal courthouse. In addition, the building that formerly housed the Immigration and Naturalization Service in Seattle, Washington, was sold at auction in 2008 for \$4.4 million. In a third example, GSA sold a historic building in Washington, D.C., in 2001 that housed the Clara Barton Apartment and Missing Soldiers Office. The sale included a preservation easement⁵⁵ that provides for the operation of a museum within the building by a non-profit group to recognize Clara Barton's efforts to aid Civil War soldiers.

Sustainable Performance of Historic Buildings

In addition to efforts to preserve and use historic buildings, we found that GSA, NPS, and VA were implementing projects in some of the historic buildings we reviewed to improve the sustainable performance of the buildings and begin meeting the Guiding Principles, as required by Executive Order 13514.⁵⁶ Because buildings and their sites affect the natural environment, the economy, and the health of people that use them, the Guiding Principles established a common strategy for federal agencies to use for planning, designing, constructing, and operating their buildings. More specifically, the Guiding Principles address five performance goals:

- integrating the planning, design and construction process;
- optimizing energy performance;

⁵⁴The tenant, a commercial bank, holds a 60-year lease and is responsible for the maintenance of the building in accordance with NPS standards. According to NPS, the tenant has funded many recent capital improvements to the building, and has invested about \$500,000 into a recent rehabilitation project. As noted earlier, NPS does not have authority to sell real property, thus it would need specific legislation to sell a park historic building. See footnote 33.

⁵⁵According to NPS, a historic preservation easement is a voluntary legal agreement, typically in the form of a deed, which permanently protects a significant historic property. Since it is a perpetual easement, an owner is assured that the property's historic character will be preserved. In addition, an owner who donates a preservation easement may be eligible for tax benefits.

⁵⁶Executive Order 13514 specifically requires agencies to utilize sustainable technologies when retrofitting their historic buildings to promote their long term viability. 74 Fed. Reg. 52117, 52119 (Oct. 8, 2009).

- reducing water consumption and storm runoff;
- enhancing indoor environmental conditions such as air quality; and
- reducing the environmental impact of materials used to construct and operate buildings.

Sustainable projects we observed at some of the buildings we visited included improved energy-efficient heating and cooling systems, “green” vegetated and “white” reflective roofs, and window retrofits or replacements, among others. For example, as part of the modernization of the federal building located at 10 West Jackson Boulevard in Chicago, Illinois, GSA is installing energy-saving “daylight harvesting” technology that automatically adjusts office lighting according to the amount of natural light entering through the building’s windows. GSA recently installed both green roof and white reflective roof technologies to reduce the amount of heat gain and loss through the building’s roof. See figure 3 below.

Figure 3: Actions to Improve the Sustainability of 10 West Jackson Boulevard, Chicago



Source: GAO.

According to OMB’s January 2012 sustainability scorecards for the agencies, GSA’s and VA’s efforts to assess and incorporate sustainable

Guiding Principles in their buildings are on track, but Department of the Interior's effort is not.⁵⁷ While NPS has a Sustainable Buildings Implementation Plan, agency officials report that they have not assessed many of their historic buildings to determine if they currently meet the Guiding Principles. NPS officials told us that their efforts thus far to comply with the Guiding Principles have focused largely on new construction projects—such as new visitor centers—or on existing building rehabilitations rather than on historic buildings where there are no planned projects. While NPS is not currently on track to meet the Guiding Principles as assessed by OMB, we found that NPS had implemented sustainable projects in 9 of 13 NPS buildings we visited and, in some cases, had conducted energy audits to identify where future projects could improve the sustainable performance of its historic buildings.

We discussed the issues faced by federal agencies to make historic buildings sustainable with three outside experts.⁵⁸ Based on our discussions with those experts—and a review of professional articles written by those individuals—we found that many historic buildings may be inherently sustainable. In general, historic buildings built before World War II often incorporated many sustainable principles, such as orienting a building for solar efficiency and making effective use of natural light and ventilation. In addition, generally, the rehabilitation and reuse of a historic building consumes fewer raw materials and affects the environment to a lesser degree than constructing a new building of comparable size. All three experts indicated that NPS has generally been an effective advocate for disseminating information about incorporating sustainable improvements in historic buildings. They identified actions—by NPS's National Center for Preservation Training and Technology or its Technical Preservation Services—to make sustainable green building information available to the preservation community such as NPS's recently released

⁵⁷ Buildings managed by NPS comprise the majority of all of Department of the Interior's buildings. Through OMB's performance scorecard process, agencies are assessed by OMB on their progress toward implementing sustainability and energy targets in a number of areas such as sustainable green building practices. Executive Order 13514 requires that executive branch agencies are to ensure that 15 percent of their buildings and building leases—that are over 5,000 gross square feet in size—meet the green building Guiding Principles by 2015.

⁵⁸ In addition to expertise in sustainability, the individuals we spoke with have professional or academic expertise in the areas of architecture, preservation, and engineering.

technical preservation brief entitled *Improving Energy Efficiency in Historic Buildings*.⁵⁹ Independent of our discussion with these experts, we found that GSA and VA have been partnering with NPS as well as other federal agencies—such as the Department of Energy—to further advance federal initiatives aimed at improving the sustainability of historic federal buildings.

GSA, NPS, and VA Face Challenges in Managing Historic Buildings

The three agencies we reviewed face challenges related to the functionality of historic buildings, the amount of funding available for preservation projects, and federal requirements to consult stakeholders on historic preservation. Maintaining and making historic buildings functional for contemporary purposes in a constrained budget environment poses a challenge. Also, competing stakeholder interests can arise when agencies consult with stakeholders. Compounding these challenges, agencies are required to identify and report on their historic buildings and their reported data is not consistent and complete.

Functional, Budgetary, and Stakeholder Challenges

Functional and budgetary limitations as well as competing stakeholder interests have been long-standing challenges in the area of federal real property management and to agencies' efforts to preserve historic buildings. These challenges are significant for the selected agencies given they have reported that identified historic buildings represent approximately 25 to 30 percent of their buildings.

Functional Limitations

Based on our site visits and discussions with agency officials, we found that the three agencies faced challenges in rehabilitating and modernizing historic buildings for contemporary use because of age, specific characteristics of buildings' original designs, and their particular historical features. For instance, it can be difficult to address current building codes in some historic buildings, install modern building systems—particularly with regard to heating, ventilation, and cooling—and provide access for disabled persons. For example, NPS officials reported they have not been able to improve accessibility at the John F. Kennedy house in Brookline, Massachusetts—which now serves as a museum—as it would adversely

⁵⁹NPS, Technical Preservation Services, *Preservation Brief 3: Improving Energy Efficiency in Historic Buildings*, (Washington, D.C., Dec. 2011).

affect the historic character of the building.⁶⁰ In lieu of being able to make accessibility improvements to the John F. Kennedy house's narrow hallways and stairwell, NPS officials report they are considering leasing space in a nearby commercial building to create a new visitor center that could accommodate visitors with special accessibility needs and provide additional interpretation exhibits for all visitors.

Similarly, in the case of the Old Grist Mill—built sometime around 1735—at VA's Perry Point Medical Center in Maryland, installing modern building systems and making building code improvements—such as adding a bathroom and a stairwell—will be challenging. VA's plan to reuse the building as a training facility will require penetrating some historic beams and floors. See figure 4 for representative exterior and interior photos of the Old Grist Mill as it exists today and the proposed design for the adaptive reuse of building.

⁶⁰An NPS official at the site reported that the agency provides interpretative photos, historic pieces, and a ranger located on the outside of the house for those individuals who cannot access the house.

Figure 4: VA—Proposed Design for VA’s Old Grist Mill at Perry Point, Maryland, Including New Stair, Elevator, and Bathroom



Sources: VA (floor plans) and GAO (photographs).

Budgetary Limitations

We have previously reported on how real property funding limitations—such as funding needed to maintain, repair, and modernize federal

buildings—have been a long-standing challenge for agencies and that agencies' actions to defer maintenance have resulted in large backlogs of deferred maintenance and the deteriorated condition of some federal buildings, including historic buildings.⁶¹ Agencies' total annual budgets allotted for historic preservation are difficult to determine because funding requested to implement projects to maintain, repair, rehabilitate, and modernize historic buildings is dispersed across multiple budget accounts. Projects are identified within agencies' budgets as line items, and funding for historic preservation can also be allotted in programmatic and operating budget accounts for conducting other activities like routine maintenance. Also, funding across those sources includes funding for non-historic buildings.

We recently reported that GSA has identified a \$4.6 billion maintenance and repair liability (i.e., needed projects) for its federally owned real property over the next 10 years,⁶² which includes both historic and non-historic buildings. According to GSA officials, its historic buildings require comparatively more maintenance and repair work than its non-historic buildings.⁶³ We also reported that the annual funding Congress has made available to GSA for obligation from the Federal Buildings Fund⁶⁴ has trended downward in recent years, and much of this reduction has been absorbed by the repairs and alterations funding account, meaning that

⁶¹GAO, *Federal Real Property: Progress Made Toward Addressing Problems, but Underlying Obstacles Continue to Hamper Reform*, [GAO-07-349](#) (Washington, D.C.: Apr. 13, 2007).

⁶²GSA assesses the basic structure and systems of each building on a biannual basis to estimate the cost of needed maintenance and repairs that contribute to the overall maintenance liability. Within its 10-year maintenance and repair estimate GSA categorizes maintenance and repair cost into subcategories that reflect repairs needed immediately (1 year), within 1-2 years, within 3-5 years, and more than 5 years from now.

⁶³GAO, *Federal Buildings Fund: Improved Transparency and Long-Term Plan Needed to Clarify Capital Funding Priorities*, [GAO-12-646](#) (Washington, D.C.: July 12, 2012).

⁶⁴Instead of GSA's receiving direct appropriations, the Federal Buildings Fund operates as the primary means of financing the operating and capital costs associated with federal space. The Federal Buildings Fund is financed by income from rental charges assessed to tenant agencies occupying federal and leased space. Congress exercises control over the Federal Buildings Fund through the appropriations process that sets annual limits—called obligational authority—on how much of the fund can be obligated for various activities. GSA requests obligational authority from Congress as part of the annual President's budget request for activities, including maintenance, repair, and modernization of historic buildings.

GSA has reduced its spending on repairs and alterations.⁶⁵ According to GSA officials, the constrained federal budget and competing project demands have affected GSA's ability to complete historic building modernizations. For example, GSA allocated \$162 million in Recovery Act funding to undertake the first phase in its renovation of half of the 95-year old GSA headquarters building in Washington, D.C.; however, GSA does not have funding to complete the second phase of the project.⁶⁶ Similarly, the final phase of GSA's 12-year, six-phase modernization to the Department of the Interior's headquarters building in Washington, D.C., has been delayed pending funding availability.⁶⁷ GSA officials reported that because of shrinking budgets and increasing reinvestment needs within GSA's real property portfolio, GSA evaluated the risks of delaying various projects, and determined that delaying the completion of the GSA headquarters building project posed a lower risk as compared with more critical projects. GSA officials further reported that GSA's fiscal year 2013 construction program incorporates OMB's response to the nation's economic distress by including fewer projects and focusing on critical needs such as safety improvements.

According to NPS's fiscal year 2013 budget justification, less than 60 percent of its historic buildings and structures are in good condition.⁶⁸ NPS headquarters officials report that limited funding is the greatest challenge NPS faces in maintaining its historic buildings. We found that some NPS sites have experienced maintenance staffing reductions as NPS has faced declining operating budgets. For example, the maintenance unit that jointly serves the Fort McHenry National Monument and Historic Shrine and Hampton National Historic Site, both located in Maryland, has been reduced from 15 to 10 positions over the last 3

⁶⁵[GAO-12-646](#).

⁶⁶GSA estimates the total project cost for phases one and two at \$295 million.

⁶⁷GSA estimates the final phase will cost \$56.5 million and the total project cost for the six phases at \$276 million.

⁶⁸NPS conducts condition assessments on its buildings and calculates a facility condition index for a building based on the amount of its deferred maintenance needs divided by the current replacement value of the building. The National Academies of Science has reported that what constitutes an acceptable facility condition can differ across agencies and building types based on an agency's mission. In general, NPS considers a facility condition index rating of less than 11 percent to be reflective of good condition; 11 to 15 percent is considered fair condition; 15 to 50 percent is considered poor condition; and a facility condition index greater than 50 percent is considered serious condition.

years.⁶⁹ One NPS official commented that staffing reductions pose a risk to historic buildings because maintenance projects may get deferred, which can lead to such projects needing to be addressed later as larger, bundled, and more costly capital projects. Delaying maintenance projects may also cause irreversible damage to historic buildings, according to the NPS official.

In reviewing NPS's fiscal year 2013 budget justification, we found that NPS has requested \$96.3 million for its cyclical maintenance program, aimed at conducting preventative maintenance on a predictive cycle to keep buildings—both historic and non-historic—in acceptable condition. However, NPS's fiscal year 2013 budget justification also shows that its annual cyclical maintenance requirements for its buildings exceed \$450 million.⁷⁰ Since NPS's budget request is substantially less than its stated requirement, it is likely that some maintenance projects will be deferred.⁷¹

In June 2012, VA reported to us that much of its inventory is over 50 years old, with an average building age of 57 years.⁷² In addition to the age of its buildings, VA reported that many of those buildings have been designated as historic and many are in poor condition.⁷³ In VA's fiscal year 2013 budget justification, 18 of 21 Veteran Integrated Service Networks (i.e., regional administrative offices for their hospitals,

⁶⁹The maintenance staff is responsible for over 30 buildings and many structures—like barns, greenhouses, gun batteries, trails, etc.—on approximately 100 acres (60 acres at Hampton National Historic Site; 40 acres at Fort McHenry National Monument and Historic Shrine). The fort alone, receives approximately 650,000 visitors a year.

⁷⁰The figure is based on the annual cyclical maintenance requirements in both historic and non-historic buildings.

⁷¹In addition, we found NPS's fiscal year 2013 line item construction budget request—which, in part, funds the repair and rehabilitation of some NPS's historic buildings—will enable NPS to fund only its highest priority construction projects that are critical to visitor and employee health and safety.

⁷²GAO, *Federal Real Property: National Strategy and Better Data Needed to Improve Management of Excess and Underutilized Property*, [GAO-12-645](#) (Washington, D.C.: June 20, 2012).

⁷³VA assesses the condition of its buildings' systems (for example, structural, mechanical, and plumbing)—on a 3-year cycle—to estimate remaining useful life and identify systems that need to be repaired or replaced. Each system is rated on an A to F grade scale. Systems rated "D" are considered to be in "poor" condition, and those receiving a rating of "F" are in "critical" condition.

Competing Stakeholder Interests

comprised of multiple hospital campuses) reported that, in general, their aging and historic buildings are a significant infrastructure challenge because of the poor condition of many of the buildings, the functional limitations of some historic buildings,⁷⁴ and stakeholder interests about rehabilitating, reusing or disposing of historic buildings. VA's fiscal year 2013 budget request included \$1.1 billion for major and minor construction projects,⁷⁵ which includes funding for rehabilitation of both non-historic and historic buildings. The budget request also included \$712 million to fund non-recurring maintenance requirements in VA's existing buildings, including historic buildings.⁷⁶ The latter includes funding for repairs and life-cycle projects, such as modernizing mechanical or electrical systems and replacing windows and roofs. However, VA's budget request also shows it would need over \$9 billion to adequately address the condition deficiencies in its buildings.⁷⁷ One VA official indicated that VA expects to seek funding in future budget requests, for projects to correct those deficiencies.

We have reported that in addition to Congress, OMB, and real property-holding agencies, several other stakeholders have an interest in how the federal government carries out its real property acquisition, management, and disposal practices. In the case of historic buildings, these stakeholders may include, but are not limited to, state, local, and tribal governments; business interests in the local communities; historic

⁷⁴For example, floor-to-floor heights, column spacing, and structural floor loading are difficult to change to accommodate new uses. Thus, achieving needed program adjacencies and appropriate space for laboratory, clinic, and patient rooms can be difficult to provide within the existing floor plan of a historic building.

⁷⁵Funding for VA major and minor construction projects provides for constructing, altering, extending, and improving any VA facility. Major projects are those estimated to cost more than \$10 million and minor projects are those estimated to cost equal to or less than \$10 million.

⁷⁶Funding for VA non-recurring maintenance projects are part of VA's construction programs budget request although they are funded from VA's medical facilities operating account.

⁷⁷In testifying before the House Committee on Veteran's Affairs on VA's fiscal year 2013 budget request, the Director of the National Legislative Service for the Veterans of Foreign Wars—which serves as an independent reviewer in VA's budget process—reported that VA would need to spend approximately \$2 billion annually on nonrecurring maintenance to fully maintain its buildings.

preservation groups; and the general public.⁷⁸ For example, in the case of VA, veterans' organizations have had an interest in being consulted on VA's plans to reuse or demolish its historic buildings and how those plans affect the services provided to veterans. Competing interests over how to reuse a historic building, or whether to demolish a building, may arise between an agency and its stakeholders. As a result, final decisions about a property may reflect broader stakeholder considerations which may not necessarily align with what an agency views as the most cost-effective or efficient alternative.

Stakeholders for historic buildings include state historic preservation officers and ACHP, both of which have a role in consulting and advising federal agencies on preservation, repair, or alteration of historic buildings. For example, in 2011, the California state historic preservation officer was concerned that VA had not solicited his office's consultation on some projects at the San Francisco VA Medical Center, which included the development of a master plan to address the campus' future needs and its effect on the site's historic buildings. We found that VA is reexamining its master plan—and the extent of new construction proposed on the campus—to try to address concerns raised, in part, by the California state historic preservation officer.⁷⁹ According to ACHP officials, preservation organizations, such as the National Trust for Historic Preservation, and members of the public may also have an interest in being consulted about decisions affecting federal historic buildings.⁸⁰

Among the buildings we reviewed, we found examples where competing stakeholder interests have affected the preservation, reuse, or lease of historic buildings. For example, VA attempted to use its enhanced-use

⁷⁸In 2011, we reported that the Department of Defense faces the same challenge in having to consult non-federal stakeholders before making decisions about reusing its historic buildings. Also, we reported that DOD officials indicate that the timing and complexity of the historic preservation consultation process is a factor that needs to be considered when planning for demolition of a historic facility. See GAO, *Excess Facilities: DOD Needs More Complete Information and a Strategy to Guide Its Future Disposal Efforts*, [GAO-11-814](#) (Washington, D.C.: Sept. 19, 2011).

⁷⁹VA's Federal Preservation Officer also reported that VA is working to improve its consultation process and has begun to provide training on consultation requirements to VA's regional site offices.

⁸⁰The National Trust for Historic Preservation is a privately funded, nonprofit organization that seeks to preserve America's historic places.

lease authority⁸¹ to enter into a long-term public-private partnership with a non-federal entity for the use of some of VA's historic buildings in Milwaukee, Wisconsin.⁸² However, public stakeholder groups raised concerns about aspects of the lease proposal and the related construction plans for a high-tech business park, which contributed to the failure of the Milwaukee proposal.⁸³ We have previously reported on VA's challenges with its non-federal stakeholders when trying to implement plans to repurpose some historic buildings.⁸⁴ The failure of enhanced-use lease negotiations in Milwaukee has, in part, contributed to the failure to find a suitable use for one building in particular, the "Old Main" hospital building, which is in an advanced state of deterioration. During our site visit we observed that the roof was partially collapsed.⁸⁵ ACHP officials said that VA funding for maintenance of the building was severely limited over many years and that VA's medical center staff lacked a familiarity with the historic preservation review process, which contributed to the building's current condition. In 2011, VA and ACHP initiated consultations—which included NPS, the state historic preservation officer, veterans' groups, and others—to discuss planned projects on the historic campus to include a project to stabilize Old Main from further collapse.⁸⁶

⁸¹Congress had authorized VA to enter into enhanced use leases for up to 75 years for cash or in-kind consideration with public and private entities for leases that contributed to VA's mission and enhanced the use of the property. This authority expired in December 2011. In August 2012, Congress reauthorized VA's enhanced use lease authority. As reauthorized, VA may enter into enhanced use leases only for the provision of supportive housing. VA may no longer accept in-kind consideration, but it may enter into enhanced use leases without receiving consideration. 38 U.S.C. §§ 8161-8169.

⁸²In 2003, GAO reported that the medical center in Milwaukee tried to generate interest in reusing its historic buildings and had held discussions with other government agencies, school organizations, a labor union, and charitable organizations without success. See GAO, *VA Health Care: Improved Planning Needed for the Management of Excess Real Property*, [GAO-03-326](#) (Washington, D.C.: Jan. 29, 2003).

⁸³One of the concerns raised by stakeholders about the proposal was related to the amount of housing that would be made available to veterans.

⁸⁴GAO, *VA Real Property: Realignment Progressing, but Greater Transparency about Future Priorities Is Needed*, [GAO-11-197](#) (Washington, D.C.: Jan. 31, 2011).

⁸⁵The roof partially collapsed during a snow storm in the winter of 2010.

⁸⁶In 2011, the campus was designated a national historic landmark district. Of the 38 buildings on the campus, 24 are considered historic to include Old Main. In November 2012, VA reported most of the buildings within the historic district are being utilized to provide services to veterans and that VA has prepared condition assessments and maintenance plans for all the buildings, including those no longer in use.

The work to stabilize Old Main began in September 2012. The medical center director told stakeholders that VA will continue to seek alternative uses for Old Main. See figure 5 for representative views of the exterior and interior of the building.

Figure 5: Deterioration of the “Old Main” Hospital, Built in 1869, at VA’s Medical Center in Milwaukee, Wisconsin



Source: GAO.

Lack of Complete and Consistent Data for Managing Historic Buildings

Compounding the challenges the three agencies face in managing their historic buildings, we also found that the data the three agencies reported on historic buildings were not complete or consistent. FRPP was intended to provide a comprehensive database of federal buildings, including identifying historic buildings, but data collection and control issues have hindered the reporting of complete and consistent data.⁸⁷ However, if data reported to FRPP were improved, FRPP could be used as a vehicle to strategically manage and oversee the government’s historic buildings.

Executive Order 13287 and the Preserve America Report

Under Executive Order 13287, agencies are required to report to ACHP on their progress in identifying, protecting, and using historic buildings

⁸⁷In our June 2012 report on excess and underutilized federal real property, we reported that key data elements in FRPP are not always defined and reported consistently and accurately and that FRPC has not followed sound data collection practices in designing and maintaining the FRPP database, raising concern that the data are not a useful tool for describing the nature, use, and extent of excess and underutilized federal real property, and that some of those properties are historic buildings. See [GAO-12-645](#).

and other properties, as well as their condition. ACHP consolidates agency-reported data every 3 years into the Preserve America report on the state of the federal government's historic properties. The three selected agencies, however, did not report consistent information on their historic properties. For example, in 2011, GSA reported to ACHP the total number of historic buildings it evaluated and nominated to the National Register over the last 3 years, but NPS did not report how many additional buildings achieved historic status and were listed on the National Register within the reporting period. Also, according to an ACHP official, VA did not meet ACHP's fiscal year 2011 reporting requirement because of VA's internal review processes.⁸⁸ Therefore, ACHP could not report the number of historic buildings held by VA in its recent Preserve America report.⁸⁹

National Register

As noted, NPS manages the National Register. Historic property records are listed on the National Register after a building is nominated by an agency and the NPS agrees with the agency's determination that the building meets the historic designation criteria.⁹⁰ The National Register is intended to be an authoritative guide and planning tool to identify properties agencies should consider for protection and, before undertaking a project related to such properties, to provide ACHP, state historic preservation officers, and other stakeholders a reasonable opportunity to comment on the project. According to GSA and VA officials, the data in the National Register are not complete. Specifically, GSA and VA are still working to complete backlogs of National Register nominations to fully report on historic buildings that the federal government owns. GSA still needs to conduct evaluations on 5 percent of

⁸⁸In addition to VA, ACHP reported to us that other executive agencies—not under our review—did not meet the fiscal year 2011 reporting requirement. In April 2012, VA submitted its report to ACHP but it was considered late and could not be incorporated into the triennial Preserve America report.

⁸⁹In addition, ACHP's 2012 Preserve America report did not include a total number of historic buildings, or structures, held by the entire executive branch. ACHP, *In the Spirit of Stewardship: A Report on Federal Historic Property Management. The Preserve America Executive Order Report to the President* (Washington, D.C.: Feb. 15, 2012).

⁹⁰36 C.F.R. § 63.1 et seq.. Prior to submitting historic building nominations to the National Register, agencies should seek the appropriate state historic preservation officer's concurrence that the building meets National Register criteria. In cases where a federal agency and state historic preservation officer do not agree on the historic eligibility of a federal building, NPS will make the determination of eligibility based on information submitted by both parties.

its buildings over 50 years old, and VA is still conducting evaluations for 30 of its medical campuses, which encompass hundreds of buildings, built approximately between 1918 and 1960.⁹¹ Further, according to the official that manages the National Register, listings are typically not updated to denote the federal agency currently responsible for a building or a non-federal entity if the building were sold or transferred. Rather, listings generally reflect the federal agency that was responsible for the building at the time of its nomination.⁹²

FRPP Data Inconsistencies

Executive Order 13327 directs the Administrator of GSA, in consultation with FRPC, to establish and maintain a database (which became the FRPP) and to establish data and information technology standards to facilitate reporting on a uniform basis. In June 2012, we reported that data elements in the FRPP database are not always defined and reported consistently and accurately.⁹³ In our current review of agencies' FRPP historic building data, we found that the historic status of over 75 percent and 63 percent of GSA and NPS buildings, respectively, are categorized as "not evaluated" in FRPP.⁹⁴ See table 1 below for examples of inconsistencies we identified. A noteworthy example is the West Wing of the White House, which is a GSA-held property that was designated a national historic landmark in 1960, but is listed as "not evaluated" in FRPP.⁹⁵

⁹¹In general, GSA regional offices use an eligibility evaluation tool—developed specifically for GSA's modern era buildings—to conduct on-going assessments of buildings before they reach 50 years of age.

⁹²NPS officials report that agencies, as part of their NHPA obligations to manage information regarding their historic buildings, should file amended documentation to reflect subsequent actions, such as a sale or transfer.

⁹³[GAO-12-645](#).

⁹⁴In September 2012, GSA officials reported that GSA anticipates reducing the proportion of unevaluated properties to 60 percent by the end of fiscal year 2013.

⁹⁵VA's FRPP data indicate that nearly nine percent of its buildings are "not evaluated."

Table 1: Examples of Inconsistencies between GSA’s Historical Status Data in FRPP and Its Historic-Buildings Database

Building	State	Historical status GSA – FRPP 2011 data	Historical status GSA – historic-buildings data
White House – West Wing	DC	Not evaluated	National Historic Landmark – Designated in 1960
Elijah Barrett Prettyman Courthouse	DC	Not evaluated	National Register listed – 2007
U.S. Tax Court	DC	Not evaluated	National Register listed – 2008

Source: GAO analysis of FRPP data and GSA data.

Note: GSA’s FRPP data reflect its fiscal year reporting ending September 30, 2011. We compared GSA’s fiscal year 2011 FRPP data to its historic building data also ending September 30, 2011. FRPP’s reporting guidance to agencies indicates that the historical status of the federal government’s owned assets should be reported as one of the following: (1) national historic landmark; (2) National Register listed; (3) National Register eligible; (4) non-contributing element of a national historic landmark or National Register listed district; (5) not evaluated; or (6) evaluated, not historic.

In addition, FRPP data for NPS in fiscal year 2011 showed that NPS had almost 1,500 national historic landmark buildings, while its reporting to ACHP in 2011 indicates NPS had 177 national historic landmarks. These data inconsistencies are because of FRPP’s lack of a status code for buildings that are “contributing” elements in a national historic landmark (or National Register listed) site or district. We found that in internal data on historical buildings, NPS categorizes many buildings as “contributing” historic buildings. For example, the Frederick Law Olmstead House in Brookline, Massachusetts, is reported as a single national historic landmark site on the National Register, but is comprised of five buildings including a shed and barn. While the house is categorized as “nationally significant,” the historic significance of the shed and barn are categorized as “contributing.”

In 2009, the Department of the Interior recommended that FRPC add a new “contributing” category within FRPP coding options for historic status to better clarify how many buildings have actually been designated as historic, particularly for those within national historic landmark and National Register listed sites and districts. FRPC did not implement the recommendation, in part, because it was considered too specific to the Department of the Interior’s portfolio. However, we also found this recommendation to have relevance to many of the historic buildings reported by VA and GSA. For example, in the case of VA, most of its historic buildings are not individually listed to the National Register, but are considered to be included within a historic site or district. Therefore,

the lack of a “contributing” category makes it unclear whether historic building status data are being reported consistently or accurately across agencies and whether the executive branch can reliably identify the total number of historic buildings it holds, and also distinguish those that are exceptionally significant to the nation and commensurate with national historic landmark status.

GSA and NPS historic building officials also stated that FRPP data on the number of historic buildings they hold are inconsistent with data maintained within their internal historic buildings databases.⁹⁶ The agencies have not fully reconciled their historic building databases with their real property databases, the latter of which are used to report to FRPP. FRPP data, therefore, cannot be used to assess the numbers of federal buildings individually designated or account for those that are “contributing buildings” within a larger historic site or district.

Lastly, ACHP officials told us that they do not have access to FRPP data—despite their request to GSA—to conduct analyses on federal historic buildings.⁹⁷ We found that FRPC allows access to agency FRPP data only when access is granted by individual agency data administrators.⁹⁸ ACHP officials also noted it is difficult for ACHP to draw quantifiable summary data from individual agencies’ Preserve America submissions because agencies inconsistently report historic building

⁹⁶A NPS preservation official reported that NPS’s historic building database tracks a larger number of historic buildings (approximately 9,600) than NPS’s real property database (approximately 8,000). The official attributed the difference, in part, to some ancillary outbuildings—such as a historic barn—which are not counted individually because they are included within the property record for the main building within NPS’s real property database. He further indicated that NPS has been working to improve the completeness of historic buildings data tracked in NPS’s real property database. GSA officials also noted that data in GSA’s historic buildings database were not uploaded to GSA’s real property database prior to its fiscal year 2010 and 2011 FRPP reporting, which resulted in GSA’s underreporting of the number of its historic buildings. A GSA official indicated the agency plans to correct the data for GSA’s fiscal year 2012 reporting to FRPP.

⁹⁷While ACHP advises Congress and the executive branch on agencies’ preservation efforts and federal historic properties, ACHP is not an advisor to or a member of FRPC.

⁹⁸In effect, each agency may only see its own FRPP data.

data.⁹⁹ ACHP officials further indicated that ACHP would like some consistency in how historic building data are reported and said the responsibility is on individual agencies to report uniform data as was intended by FRPP.

The FRPP database's lack of completeness and consistency for historic data are not consistent with sound data collection practices. We have long held that results-oriented organizations assure that data they collect are sufficiently complete, accurate, and consistent enough to document performance and support decision making, as well as to collaborate with others who would benefit from the data.

In June 2012, we reported that FRPC has not followed sound data collection practices in designing and maintaining the FRPP database, raising concern that the data are not a useful tool for describing the nature, use, and extent of excess and underutilized federal real property.¹⁰⁰ For example, FRPC has not ensured that key data elements—including buildings' utilization, condition, annual operating costs, mission dependency, and replacement value—are defined and reported consistently and accurately. As a result, we recommended that GSA, in collaboration with FRPC member agencies, develop and implement an action plan to improve FRPP, consistent with sound data collection practices, so that data collected are sufficiently complete, accurate, and consistent, and collaboration between agencies is effective.

Development of Performance Measures for Historic Buildings

In addition to developing the database, Executive Order 13327 required FRPC to be a clearinghouse of best practices for real property management and establish performance measures to determine the effectiveness of federal real property management. The executive order specifically states that performance measures shall be designed "to enable the heads of executive branch agencies to track progress in the achievement of government-wide property management objectives, as well as allow for comparing the performance of executive branch

⁹⁹ACHP's 2012 Preserve America report stated that despite the general trend toward improving data, agencies continue to face challenges managing historic properties including the lack of accurate and available information regarding the presence and value of historic assets held by the agencies and limited resources to support historic property identification, condition assessments, maintenance, and capital improvement projects.

¹⁰⁰[GAO-12-645](#).

agencies against industry and other public sector agencies.”¹⁰¹ FRPP has four data elements that FRPC considers performance measures: (1) utilization (overutilized, utilized, underutilized, and not utilized); (2) condition index (general measure of the constructed asset’s condition at a specific point in time); (3) annual operating costs (expenses for recurring maintenance and repair costs, utilities, cleaning or janitorial costs, and roads or grounds expenses); and (4) mission dependency (the importance an asset brings to the performance of the agency’s mission).¹⁰² However, we reported in June 2012 that these performance measures are ineffective because they are not routinely linked to any performance goals, and FRPC guidance does not explain what constitutes acceptable performance on these measures.¹⁰³

These performance measures, if tied to performance goals, could potentially be useful to the agencies and OMB in the area of historic preservation, where, OMB and FRPC could benchmark performance across agencies and, potentially identify progress, areas of concerns, or lessons learned. For example, of the three agencies we reviewed, only NPS had a performance metric reported within its fiscal year 2013 budget justification that showed the number and percentage of historic buildings in good condition for prior fiscal years, the planned goal for the fiscal year 2012, and a proposed goal for fiscal year 2013.¹⁰⁴ Furthermore, data on mission-dependent buildings with historic status could help agencies justify funding requests for those buildings’ maintenance and rehabilitation, and historic buildings with high operating costs could be candidates for sustainability investment. The data could also show how the condition of mission-dependent historic buildings may either be adversely or positively affected given reduced or increased funding scenarios. Lastly, complete and accurate data identifying agencies’ historic buildings would be needed to assess whether agencies have managed and provided for those buildings’ continued use or have pursued leases with persons or organizations to provide for the buildings’ reuse and preservation as called for by NHPA.

¹⁰¹Exec. Order No. 13327, 69 Fed. Reg. 5897 (Feb. 4, 2004).

¹⁰²Based on General Services Administration, *FRPC 2011 Guidance for Real Property Inventory Reporting* (Washington, D.C.: Oct. 4, 2011).

¹⁰³[GAO-12-645](#).

¹⁰⁴NPS’s performance metric includes both buildings and structures in good condition.

In June 2012, we recommended that FRPP performance measures should be linked to clear performance goals consistent with Executive Order 13327. GSA agreed with the recommendation and has begun to take action to address the recommendation. GSA also reported that it will propose refining the performance measures and limit the number of measures to ensure that only essential measures, linked to performance goals, are collected consistent with directives in Executive Order 13327. Improving historic building data could complement this recommendation, not only at the agency-level for GSA, NPS, and VA, but for all executive agencies included in FRPP and in GSA's capacity as the agency responsible for establishing and maintaining FRPP.

Conclusions

Federal real property management is a challenging area, and requirements to preserve and manage historic buildings place added expectations on federal agencies that are stewards of many treasured assets. NHPA, executive orders, and other requirements establish the overall federal policy regarding historic buildings. Those requirements reflect that federal historic buildings are an important part of America's heritage and should be preserved, protected, enhanced, and where possible, adapted for contemporary use.

In 2004, the President issued an executive order establishing the FRPC and requiring GSA to collect data from executive branch agencies describing the nature, extent, and use of federal real property.¹⁰⁵ While this was a positive step, we reported in June 2012 that GSA needed to improve FRPP so that data are consistent, complete, and collaboration among agencies is effective.¹⁰⁶ GSA agreed with this recommendation and is taking steps to implement it. In the case of historic building data, FRPP data are similarly limited, which negates the potential for agencies and stakeholders, including OMB and Congress, to use the data to strategically manage the historic building subset of the federal real property portfolio and try to address related challenges. Focusing on how to improve the historic building data in FRPP, in conjunction with GSA efforts under way to improve FRPP data on all federal buildings, would better equip stakeholders to make decisions about where to direct limited

¹⁰⁵Exec. Order 13327, 69 Fed. Reg. 5897 (Feb. 6, 2004).

¹⁰⁶[GAO-12-645](#).

federal resources for historic preservation and foster greater accountability and transparency.

Recommendation for Executive Action

We recommend that the Acting Administrator of GSA—in collaboration and consultation with ACHP, NPS, VA, and FRPC member agencies—ensure that the action plan being developed to improve FRPP data includes actions to improve historic-building data by addressing the following areas, at a minimum:

- determining whether changes are needed—to historic data elements or guidance—to ensure that data are consistently and accurately reported;
- developing, in FRPP fiscal-year summary reports, data that will better convey to the public and stakeholders—including OMB and Congress—a sense of the extent of historic buildings held by agencies, such as total numbers or percentages; and,
- facilitating ACHP's access to FRPP data, as appropriate, so that ACHP can better fulfill its historic-building advisory role to Congress and the President.

Agency Comments and Our Evaluation

We provided a draft of this report to GSA, the Department of the Interior, VA, and ACHP for review and comment.

GSA agreed with our recommendation and further reported that it has, in part, already taken action to rectify inconsistencies we found between GSA's FRPP data and its internal data sources used for NHPA compliance and reporting required by Executive Order 13287. GSA also indicated it will: (1) assess and determine whether changes are needed to the FRPP historic status data element and guidance; (2) provide future data on historic buildings within GSA's FRPP fiscal-year summary reports; and, (3) work with ACHP by sharing FRPP data and reports, as appropriate. GSA's response is reprinted in appendix III.

The Department of the Interior and VA provided technical comments, which we incorporated as appropriate.

In commenting on our draft, ACHP said this report provides a useful analysis of these agencies' programs and their stewardship of historic buildings. However, ACHP emphasized that the greatest challenge facing agencies' federal buildings—irrespective of historic status—is that their buildings have not been maintained because of agencies' decisions to

defer maintenance. While we understand ACHP's perspective, our assessment pointed to budgetary limitations as a challenge that can cause agencies to defer maintenance on historic buildings. Nonetheless, in recognition of ACHP's comment, we have included a reference to GAO's past reporting on agencies' deferred maintenance backlogs for federal buildings and have noted the link between budgetary limitations and deferred maintenance, in the report. It is also important to note that, in addition to budgetary limitations, as discussed in the report, the agencies face challenges in adapting some historic buildings to meet contemporary needs and in involving stakeholders on proposals—such as building reuse and demolition plans—that may adversely affect a historic building. ACHP's response is reprinted in appendix IV. ACHP also provided technical comments, which we incorporated as appropriate.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the Acting Administrator of GSA, the Secretaries of the Interior and VA, and the Executive Director of ACHP. Additional copies will be sent to interested congressional committees. We will also make copies available to others upon request, and the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you have any questions about this report, please contact me at (202) 512-2834 or wised@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Major contributors to this report are listed in appendix V.

Sincerely yours,



David J. Wise
Director
Physical Infrastructure Issues

Appendix I: Objectives, Scope, and Methodology

Our objectives were to identify (1) actions selected nondefense agencies have taken to manage historic federal buildings, and (2) any challenges they have faced. We identified three agencies for our review: (1) the General Services Administration (GSA); (2) the National Park Service (NPS) within the Department of the Interior; and (3) the Department of Veterans Affairs (VA). We selected GSA, in part, because it is the federal government's principal real property steward for many federal agencies. In addition, GSA was selected because it also maintains the Federal Real Property Profile (FRPP) database that is used to identify and report on federal real property, to include the historic status of federal buildings, held by executive branch agencies. We selected NPS, in part, because it is responsible for the stewardship of most of the Department of the Interior's historic buildings, many of which reside within the nation's national historic parks, districts, and sites. In addition, we selected NPS because it establishes and manages the nation's historic preservation standards such as the Secretary of the Interior's: (1) *Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings*; (2) *Standards for Rehabilitation & Illustrated Guidelines on Sustainability for Rehabilitating Historic Buildings*; and (3) *Standards and Guidelines for Federal Agency Historic Preservation Programs Pursuant to the National Historic Preservation Act*. In addition, on behalf of the Secretary of the Interior, NPS manages the National Register of Historic Places, the nation's official list of historic places, both publically and privately held. Lastly, we sought and received recommendations from the Advisory Council on Historic Preservation (ACHP)¹ on a third federal agency to add to our review. Based on recommendations received from ACHP and our judgment and knowledge of the inventories of the agencies recommended, we selected VA because it is the steward for the nation's historic veterans' hospitals and many of its buildings are over 50 years old. In finalizing our selection, we estimated that the federally owned building portfolios of the three non-defense agencies encompassed over 33,500 buildings, including at least 10,000 identified historic buildings (based on our preliminary review of those agencies' FRPP 2010 fiscal year data) and that these agencies' real property portfolios would provide

¹ACHP is an independent federal agency that advises the President and Congress on national historic preservation policy and federal agencies' preservation programs.

a diverse range of building types including office buildings, courthouses, park facilities, museums, and hospitals.²

To understand the issues and requirements related to federal historic preservation, we reviewed relevant laws, regulations, and executive orders governing how agencies should identify, report, and manage historic buildings in their portfolios. We reviewed NHPA and its implementing regulations as well as the following executive orders: (1) Executive Order 13287, entitled Preserve America; (2) Executive Order 13327, entitled Federal Real Property Asset Management; and (3) Executive Order 13514, entitled Federal Leadership in Environmental, Energy, and Economic Performance. Executive Order 13514 requires agencies, among a number of initiatives, to improve the sustainable performance of their existing buildings and ensure that all new construction, major renovation, or repair and alteration of federal buildings complies with the *Guiding Principles for Federal Leadership in High Performance and Sustainable Buildings* (Guiding Principles). We reviewed those Guiding Principles, as well as ACHP's sustainability guidance to federal agencies entitled *Sustainability and Historic Federal Buildings*, and *The Secretary of the Interior's Illustrated Guidelines on Sustainability for Rehabilitating Historic Buildings*. In addition, we reviewed the aforementioned federal standards and guidelines on historic preservation managed by NPS on behalf of the Secretary of the Interior. We also reviewed past GAO reports on federal real property.

To understand the challenges faced by agencies in managing their historic buildings and to identify agencies' portfolio-wide efforts to

²*Statement of Federal Financial Accounting Standards No. 29* requires agencies to report information about "heritage assets and stewardship land"—to include their condition and the number of "physical units" added or withdrawn in the fiscal year—in their annual financial reports. The federal financial accounting standard indicates that the reporting categorization of physical units may be determined by the agency based on its mission, types of heritage assets, and how it manages the assets. We found, GSA has categorized its historic buildings as its heritage assets. The Department of the Interior—including NPS—reporting of heritage assets—includes many broader unit categories such as, but not limited to, national historic landmarks, national historic sites, national historic parks, national seashores, and national wildlife refuges. VA's reporting of heritage assets consists of six unit categories to include (1) art collections; (2) buildings and structures; (3) monuments and historic flag poles; (4) other non-structure items (such as a historic gate); and (5) archaeological sites; and (6) cemeteries. Because the standard allows agencies wide latitude on defining categorical reporting units, we did not examine the extent agencies' reporting on their heritage assets was fully reflective of the historic buildings they hold.

preserve their historic buildings, we interviewed our selected agencies' real property and preservation officials about their agencies' preservation programs. We also reviewed agencies' fiscal year 2013 budget requests, but we did not independently verify agencies' fiscal year 2013 budget requirements. To gather detailed examples of selected agencies' actions to manage historic buildings, we visited a nonprobability sample³ of 31 federally owned historic buildings held by GSA, NPS, and VA, in five metropolitan areas: (1) Boston, Massachusetts; (2) Chicago, Illinois; (3) Milwaukee, Wisconsin; (4) San Francisco, California; and (5) Washington, D.C.-Baltimore, Maryland. We selected buildings to visit based on a combination of input received from agencies' preservation officials, ACHP, state historic preservation officers, and our own judgment as informed by our review of selected agencies' preservation documents and their FRPP submissions. This approach yielded a diverse group of buildings in terms of use, age, size, and condition that provided illustrative examples of agencies' broader policy initiatives and specific preservation and sustainability projects.

Prior to our site visits, we reviewed selected agencies' documentation on recent, current, or planned efforts to manage those historic buildings. To the extent documents were available, we requested and reviewed National Register nomination forms, facility condition assessments, historic structure reports, and sustainability scorecards for buildings we visited. In preparation for our visits, we also provided agency officials knowledgeable about our selected nonprobability sample of buildings with a series of questions, and asked for written responses, regarding their historic preservation, maintenance and repair, and sustainable improvements, if any. For example, we inquired about the current building condition and asked the officials to identify specific major renovation, rehabilitation, or sustainability projects that were undertaken in the buildings within the last 3 fiscal years, if any. While we reviewed projects that were in-process or recently completed in those buildings, we did not review the extent projects were within scope, cost, and schedule. We also inquired about agencies' progress in meeting government-wide sustainable Guiding Principles for their existing buildings, and specifically if the buildings currently met the Guiding Principles. We also conducted a literature review about historic preservation and sustainability. Finally, to

³Because this is a non-probability sample, observations from these site visits do not support generalizations about other properties.

better understand the challenges that agencies may face, we spoke with three experts with academic or professional expertise in improving the sustainable performance of historic buildings. We selected these experts based on a combination of input received from the selected agencies' preservation officials, ACHP, and our own judgment as informed by our literature search.

To determine whether FRPP could be used to reliably identify the historical status of selected agencies' federally owned buildings and the numbers of historic buildings held by those agencies, we reviewed GSA's annual FRPP reporting guidance to executive branch agencies on how to report their historic buildings. We also obtained and analyzed selected agencies' FRPP data submissions for fiscal year 2011, and other real property data such as agencies' past and current Preserve America reports submitted to ACHP about the agencies' historic buildings and their efforts to preserve those buildings. We also interviewed agency officials about data and reviewed FRPP guidance and other documents related to the agencies' real property data and FRPP database. In the case of GSA and NPS—which maintain separate historic building databases in addition to their respective agencies' real property databases—we obtained and reviewed data from those agencies' respective historic buildings databases about the historic status of their buildings and compared it with data agencies reported to FRPP and in their reports to ACHP.

We conducted this performance audit from November 2011 to December 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: List of 31 Federal Historic Buildings Where GAO Conducted Site Visits

Table 2: List of 31 Federal Historic Buildings Visited during Site Visits

Agency	Building Name	City	State
GSA	John W. McCormack Post Office and Courthouse	Boston	MA
GSA	John F. Kennedy (JFK) Federal Building	Boston	MA
VA	Bedford VA Medical Center - Main Infirmery Building (Building #2)	Bedford	MA
VA	Bedford VA Medical Center - Main Administrative Building (Building #1)	Bedford	MA
NPS	John F. Kennedy National Historic Site	Brookline	MA
NPS	Longfellow-Washington's Headquarters National Historic Site	Cambridge	MA
NPS	Frederick Law Olmsted National Historic Site	Brookline	MA
NPS	Lowell National Historic Park - Boott Mill #6	Lowell	MA
NPS	Lowell National Historic Park - Old City Hall	Lowell	MA
GSA	Federal Building, 50 United Nations Plaza	San Francisco	CA
GSA	James R. Browning U.S. Courthouse	San Francisco	CA
VA	San Francisco VA Medical Center - Building #1	San Francisco	CA
VA	San Francisco VA Medical Center - Building #18	San Francisco	CA
NPS	San Francisco Maritime National Historical Park - Aquatic Park Bathhouse (Maritime Museum)	San Francisco	CA
NPS	Golden Gate National Recreation Area- Fort Mason – Headquarters Building 201	San Francisco	CA
NPS	Golden Gate National Recreation Area- Fort Mason - Pier #2 Shed	San Francisco	CA
NPS	Golden Gate National Recreation Area- Fort Baker - Building 601	San Francisco	CA
NPS	Golden Gate National Recreation Area- Fort Baker - Building 605	San Francisco	CA
GSA	Chicago Federal Building, 536 South Clark Street	Chicago	IL
GSA	U.S. Post Office Loop Station	Chicago	IL
GSA	10 West Jackson Building	Chicago	IL
VA	Clement J. Zablocki VA Medical Center – “Old Main” hospital building (Building #2)	Milwaukee	WI
VA	Clement J. Zablocki VA Medical Center - Building #6	Milwaukee	WI
GSA	Federal Building and U.S. Courthouse	Milwaukee	WI
GSA	General Services Administration Building	Washington	D.C.
GSA	Stewart Lee Udall Department of the Interior Building	Washington	D.C.
NPS	Fort McHenry National Monument and Historic Shrine Commanding Officer's Quarters (Building A)	Baltimore	MD
NPS	Fort McHenry National Monument and Historic Shrine Enlisted Men's Barracks (Building E)	Baltimore	MD
NPS	Hampton National Historic Site	Towson	MD
VA	Perry Point VA Medical Center - Historic Mansion (Building 501)	Perry Point	MD
VA	Perry Point VA Medical Center - Old Grist Mill (Building 504)	Perry Point	MD

Source: GAO.

Appendix III: Comments from the General Services Administration



The Administrator

November 19, 2012

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Dodaro:

Thank you for the opportunity to comment on the draft report "Federal Real Property: Improved Data Needed to Strategically Manage Historic Buildings, Address Multiple Challenges" (GAO 13-35). The U.S. Government Accountability Office (GAO) was asked to identify actions that certain nondefense agencies that hold significant numbers of historic buildings have taken to manage those buildings, and any challenges they have faced balancing mission needs, stewardship, sustainability, performance and other Federal goals.

The report recommends that the U.S. General Services Administration (GSA), in collaboration and consultation with the U.S. National Park Service, U.S. Department of Veterans Affairs, Federal Real Property Council member agencies and others, ensure that the action plan being developed to improve the Federal Real Property Profile (FRPP) also addresses the need for improved data on historic buildings. We agree with this recommendation, in part, having already taken action to rectify inconsistencies between FRPP report data and internal data sources used for National Historic Preservation Act (NHPA) compliance and reporting required by Executive Order 13287, Preserve America.

GSA has completed our review of the FRPP database and updated the FRPP historical status codes to ensure consistency between data we use to manage GSA property and external reporting. This review encompassed all National Historic Landmarks, National Register-listed properties, as well as properties determined eligible for the Register, including the three historic buildings listed as examples of inconsistencies in Table 1 in the draft report.

There is a notable difference between how GSA uses the FRPP data and our internal monitoring for NHPA compliance. GSA proactively evaluates properties to ensure that we comply with the letter and spirit of Section 110 of NHPA. GSA evaluates properties over or approaching 50 years of age and maintains a list of properties required to be in compliance with NHPA Section 106. Evaluation using GSA's Eligibility Assessment Tool is also required for these resources as a condition for capital funding.

U.S. General Services Administration
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Washington, DC 20417
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The tool enables GSA to identify buildings under 50 years old that may be eligible for the National Register, so that any qualifying attributes are not adversely affected by alterations. Properties determined likely to become eligible at 50 years of age are treated as eligible and remain in the FRPP database in the "not evaluated" category for further evaluation on approaching 50 years of age, as warranted.

GSA also prioritizes its evaluation efforts to ensure that limited public funds are spent wisely. While the NHPA requires agencies to identify and nominate historic properties they control, it is up to agencies to implement a practical and reasonable approach to ensuring that eligible properties are identified and protected. GSA evaluates all buildings constructed on or before 1979 prior to initiating major repair and alteration projects. GSA properties over 50 years of age and pending evaluation are, for the most part, architecturally undistinguished buildings within military industrial complexes adapted to serve new uses after World War II. The remaining GSA buildings identified as "not evaluated" in the FRPP are either constructed after 1979, too recent to trigger evaluation using our Eligibility Assessment Tool, or less than 50 years of age where repairs or alterations with a potential to trigger NHPA Section 106 compliance are not currently planned. Through this approach, GSA ensures compliance with the NHPA without unnecessarily investing resources on properties or actions not requiring NHPA compliance.

GAO Report 12-645, Federal Real Property, National Strategy and Better Data Needed to Improve Management of Excess and Underutilized Property, dated June 2012, reported that the current performance measures in the FRPP are ineffective because they are not routinely linked to any performance goals. In GSA's response, we notified GAO that the performance measures will be revised in future reporting cycles. GSA will ensure that only measures linked to performance goals are collected, consistent with the requirements in Executive Order 13327, Federal Real Property Asset Management. These performance measures will be applicable to the Government-wide inventory, not just to a subset such as historic buildings. It is the responsibility of each individual agency to develop specific performance measures related to historic buildings that best meet their needs.

We appreciate the report's recognition of GSA accomplishments that established policies and procedures to comply with NHPA Sections 106 and 110. A summary of responses to the GAO recommendations is enclosed. We are confident that GSA's actions will satisfy GAO's concerns.

If you have any additional questions or concerns, please do not hesitate to contact me or Mr. Rodney P. Emery, Associate Administrator, Congressional and Intergovernmental Affairs, at (202) 501-0563.

Sincerely,



Dan Tangherlini
Acting Administrator

Enclosure

GAO Draft Report (GAO-13-35)

Actions to be Taken in Response to the Recommendation:

This U.S. General Accountability Office (GAO) report correctly identifies many of the challenges impeding the strategic management of historic buildings. The U.S. General Services Administration (GSA) is responsible for the management and oversight of the Federal Real Property Profile (FRPP) database and real property policy. In June 2012, GAO recommended improvements to the FRPP database to enhance its consistency, completeness, and usefulness in Federal decision making. GSA will ensure that the action plan and proposed improvements being developed to improve FRPP also address the need for improved data on historic buildings. Specifically, in consultation and collaboration with the Advisory Council on Historic Preservation (ACHP), U.S. National Park Service, U.S. Department of Veterans Affairs, and, Federal Real Property Council member agencies, GSA will:

- Assess and determine whether changes need to be made to historic data elements and guidance in the FRPP. GSA will follow procedures to ensure that the data is consistently and accurately reported.
- Develop a revised format for the FRPP fiscal year summary reports to include more data on historic buildings and to convey a better sense of the extent of historic buildings held by agencies. Specific data on historic buildings will include total numbers and/or percentages by agency.
- Work with ACHP to better fulfill its historic buildings advisory role to Congress and the President by sharing FRPP data and reports, as appropriate. Current FRPP policies state that agencies only have full access to their own data in the FRPP system. Summary level FRPP data may be made available upon request. For this reason, GSA is unable to grant ACHP full access to the FRPP system. GSA will work closely with the ACHP to provide the appropriate data to fulfill its goals.

Appendix IV: Comments from the Advisory Council on Historic Preservation



Preserving America's Heritage

November 16, 2012

David Wise
Director
Physical Infrastructure Issues
Government Accountability Office
441 G Street, NW
Washington, DC 20548

RE: DRAFT REPORT - Federal Real Property: Improved Data Needed to Strategically Manage Historic Buildings, Address Multiple Challenges (GAO-13-35)

Dear Mr. Wise:

The Advisory Council on Historic Preservation (ACHP) appreciates the opportunity to review the draft report entitled "Federal Real Property: Improved Data Needed to Strategically Manage Historic Buildings, Address Multiple Challenges" (GAO-13-35). In general, we believe the report provides a useful analysis of three agency programs and their stewardship of historic buildings.

We note the report discusses the challenges of maintaining and reusing historic buildings but provides little attention to the issue of deferred maintenance. In our experience the challenges noted in the report often result from decisions to defer maintenance on federal buildings, leaving many of them in a state of advanced deterioration. Deferring maintenance is a common approach in an atmosphere of budget austerity and creates cumulative maintenance problems that are not directly attributable to the building's age or historic significance. As a result, the greatest challenge that many agencies confront is that buildings have not been maintained, not that they are "historic".

We believe this point should be made more directly in order to ensure a balanced presentation of the issues and challenges. In addition, several minor technical comments were provided to Mr. John Bauckman of your staff on November 13, 2013 via email.

If you have any questions on the ACHP's comments, please feel free to contact me.

Sincerely,

John M. Fowler
Executive Director

ADVISORY COUNCIL ON HISTORIC PRESERVATION

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Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

David Wise, (202) 512-2834 or wised@gao.gov

Staff Acknowledgments

In addition to the individuals named above, other key contributors to this report were David Sausville, Assistant Director; John Bauckman, Analyst-in-Charge; Lindsay Bach; Leia Dickerson; Colin Fallon; Catherine Kim; Hannah Laufe, Joshua Ormond; Crystal Wesco; and Elizabeth Wood.

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