

**STATEMENT OF
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U.S. GENERAL SERVICES ADMINISTRATION**

**BEFORE THE
COMMITTEE ON TRANSPORTATION AND
INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC
BUILDINGS, AND EMERGENCY MANAGEMENT
U.S. HOUSE OF REPRESENTATIVES**

***“Richard H. Poff Federal Building Renovation:
Is it Costing the Taxpayer Too Much?”***

APRIL 14, 2011



Good morning Chairman Denham, Ranking Member Norton, and Members of the Subcommittee. My name is David Ehrenwerth, and I am the Regional Administrator for the U.S. General Services Administration's (GSA) Mid-Atlantic Region. I appreciate the opportunity to come here today to discuss the renovation of the Richard H. Poff Federal Building and U.S. Courthouse in Roanoke, Virginia. This critical project, which is funded by the American Recovery and Reinvestment Act of 2009, is a much needed investment in GSA's inventory that will keep a core, long-term asset operable and functioning, while increasing its performance. This building modernization is part of our commitment to help the nation's economic recovery by investing in aging infrastructure while creating jobs in local communities.

Asset Management –

As a responsible asset manager, GSA must ensure that our buildings are well functioning, safe, and welcoming for all tenants and visitors. We have expertise in effectively managing building operations and responding to the concerns of our occupants. The Poff Federal Building, which houses the U.S. Department of Veterans Affairs (VA) and the U.S. Courts, is 36 years old and has never had a major renovation. At 342,090 gross square feet, the building provides a considerable amount of owned space for the Federal government in the area. The building is in need of significant repairs to ensure that the building operates efficiently and provides a workplace environment that helps tenant agencies meet their mission needs. A modernization of this facility is the most cost-efficient way to meet the government's housing needs in Roanoke.

Annually, GSA categorizes its owned inventory based upon a series of surveys and tests that evaluate the financial performance and physical condition of our buildings. In FY10, the Poff Federal Building was categorized as an underperforming asset in GSA's inventory. This meant that, due to the significant reinvestment needs, including a leaking curtain wall and failing building systems, the property was not able to generate at least 6 percent return on equity. Return on equity is a commonly used private sector benchmark to track performance of assets.

Richard H. Poff Federal Building Renovation Project –

The Recovery Act provided GSA the opportunity to invest the funds necessary to update the Poff Building's systems and features with high performing ones. Once this project is complete, the building will be a performing asset with an anticipated strong financial return, while satisfying long-term customer needs. This project will extend the

useful life of the building and improve public accessibility, while keeping Federal workers in owned space. Specifically, this renovation includes:

- Replacing the inefficient and leaking single paned glass curtain wall with a new energy efficient curtain wall that will better regulate the building's internal temperatures and reduce operating costs;
- Improving the building's lighting and mechanical systems with new, energy-efficient systems and technologies; and
- Replacing failing building systems which have reached the end of their useful life, including the heating, ventilation and air conditioning system.
- Replacing the deteriorating roof with a new sustainable roof and a solar system to generate electricity. This new roof will prevent heat buildup and reduce the building's air conditioning load;

In addition to building features that are being replaced and improved, GSA will also address deficiencies that impact our tenants' ability to serve the public, particularly the VA, which occupies approximately half the building. Most importantly, GSA is improving accessibility for handicapped individuals. We are renovating the public restrooms to better serve our nations' disabled veterans by meeting Architectural Barriers Act Accessibility Standards, which is the Federal equivalent of complying with the Americans With Disabilities Act. Additionally, the floor structure will be strengthened to ensure it is capable of safely supporting the current and future weight of VA's files.

Working with Local Communities –

GSA wants to ensure that we pursue this project in partnership with the community and help to create jobs. I recently participated in a forum with the City Council of Roanoke to explain the benefits and opportunities of this project, and why we are pursuing it. In that forum, I discussed the importance of ensuring that GSA assists the General Contractor, Balfour Beatty, in outreach to the community and seeing where there might be opportunities for subcontracting participation. Balfour Beatty has held a number of small business forums, and will continue to do so throughout the project to help engender the participation of local businesses in subcontracting.

Conclusion –

The design for the Poff Federal Building project is now complete, the swing leases have been awarded, and construction begins this summer. The investments in the Poff Building will help stimulate job growth, increase building performance, and transform the

Poff Federal Building into a welcoming, sustainable, productive workplace for Federal employees and the public who come to the building to receive necessary services.

I appreciate the opportunity to come here today to discuss this investment and I welcome any questions you have.