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federal buildings, almost all of the excess property identified in Maryland remains in government hands, a review by The Baltimore Sun has found.

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WASHINGTON — Two years after the Obama administration relaunched an effort to get rid of surplus federal buildings, almost all of the excess property identified in Maryland remains in government hands, a review by The Baltimore Sun has found.

Red tape, lack of congressional action and inadequate funding have left federal agencies stuck with at least 200 vacant or underutilized properties in the state, from closet-size storage sheds in Beltsville to an eight-story, historic office building a block from Baltimore's Inner Harbor.

As the nation's largest landlord — with more than 3 billion square feet in its portfolio — the federal government has struggled for years to dispose of an estimated 77,700 underutilized or vacant properties it owns. Taxpayers spend about \$1.7 billion a year maintaining them, according to the nonpartisan Congressional Research Service.

“What we need is leadership on this issue, and we haven't seen it,” said Leonard Gilroy, director of government reform at the libertarian Reason Foundation. “There have been some improvements over the past decade, but they're not enough.”

While surplus property owned by the government has spurred criticism from watchdog groups and in a series of recent hearings on Capitol Hill, the issue is more complex than it appears.

Records of federal property are so poor that small sheds and storage tanks are sometimes classified as buildings. Many buildings are located on a larger federal property, making them unsuitable for sale to the private sector. And the cost to

demolish a building can be far higher than the expense to maintain it, particularly if

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tourist attractions. The art deco-style structure, built in the early 1930s, was originally intended to be used by the U.S. Customs Service to appraise the value of goods being shipped through the port of Baltimore, according to the General Services Administration.

Nan Rohrer, vice president of economic development and planning at the Downtown Partnership of Baltimore, expects that there will be high demand to convert the building to residential use when it winds up on the market.

That kind of redevelopment — turning a tax-exempt property into one that generates tax revenue — would help Baltimore's coffers. The property is assessed at more than \$10 million, state records show.

Because federal agencies often oversee their own property, there is no reliable central database of the government's nationwide inventory, let alone which buildings are considered surplus. Since 2005, the GSA has maintained a database, the Federal Real Property Profile, but it does not make that list public.

Even if that information were available, it is not clear how much value it would have. An audit by the Government Accountability Office in April found "inconsistencies and inaccuracies" in 23 of the 26 properties it sampled from that list. In one case, a vacant cabin that was covered in moss and missing its roof was classified as being in "excellent" condition. GAO auditors discovered another property rated as excellent that was, in fact, marked with yellow signs warning of radiation contamination.

In the wake of criticism that spanned several presidential administrations, the Office of Management and Budget in 2011 began a new effort to address the problem and disclosed details of nearly 14,000 properties it said the government no longer needed. That list contained 250 "properties" in Maryland, including sheds at

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headline that read: "Cutting costs by getting rid of buildings we don't need."

In interviews with the four agencies responsible for the bulk of the excess properties in Maryland on the OMB list, officials said few if any had been sold, demolished or repurposed — though they noted some progress toward that goal.

"GSA is moving aggressively to dispose of excess properties," agency spokesman Dan Cruz said in an emailed statement. "We are currently hosting auctions, requesting industry input, and offering proposed exchanges so we can put even more excess and underutilized property to new uses."

The agency has been working since 2010 to sell the brick-and-limestone Appraisers Stores building. But progress has been slow, in part because the agency is required to jump through several legal hoops before moving forward with a sale.

Before any agency sells a surplus property, it is required by federal law to ensure that no other U.S. agency wants it. It must then offer a right of first refusal to state and local governments as well as nonprofits for use of the property as a "public purpose," such as a park. By law, the building must be assessed as a potential homeless shelter and reviewed for environmental contamination and historic significance.

When GSA began that process, nine federal agencies had employees in the Appraisers Stores building. Today, the Veterans Health Administration is the last holdout, GSA officials said, and it occupies only about 25 percent of the space.

Cruz said the remaining employees will be relocated next spring.

So when will the GSA put the Appraisers Stores building up for sale?

"In the future," Cruz said.

Rohrer of the Downtown Partnership praised the GSA effort to steer the building

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in the middle of a residential neighborhood.

The Coast Guard had about a dozen properties on the 2011 list that were located in Annapolis. A spokesman for the agency, Chief Petty Officer Nyx Cangemi, said many of the structures have been demolished but the transfer of the property to the GSA for disposal is pending.

National Park Service officials say they believe little has changed with nearly two dozen surplus properties the agency owns at Antietam, Assateague Island and Catoctin Mountain Park. The properties are categorized in the OMB database as warehouses, parking structures and utility systems.

“Typically, the National Park Service does not have the funds available for demolition or removal and will mothball the asset,” said spokeswoman Kathy Kupper. “This means that little to no maintenance is done to the facility. The focus is mostly on safety and keeping visitors out.”

The estimate of 77,700 surplus properties nationwide comes from a 2010 GSA report. It does not include property owned solely by the U.S. Postal Service, including the historic building on Church Circle in Annapolis that was sold to the state of Maryland in May for \$3.2 million.

When the Obama administration released the list of properties in 2011, it proposed an independent panel, the Civilian Property Realignment Board, to deal with the issue. The board was to assess the government's inventory and then start selling properties under a process similar to the military's base realignment and closure effort. But Congress never approved that proposal.

Rep. John Mica, chairman of the House Subcommittee on Government Operations, has held several hearings this year to quiz officials from the GSA and other agencies on the issue. He has repeatedly questioned whether the Beltsville Agricultural

Research Service should be moved to another part of the country with less expensive

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The agency developed a way to recycle chicken feathers into disposable diapers and, in the 1940s, its scientists created a breed of turkey that serves as the genetic foundation of virtually every turkey sold today in the United States.

Spence, the site's director, said the center benefits from its proximity to the University of Maryland and the Food and Drug Administration. He rejected the idea that the work taking place in Beltsville could be conducted anywhere.

"If it was just the farming, sure, you could move it to Kansas," he said. "But you can't just move some of these things elsewhere and have the same research."

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