



CITY OF NEW BEDFORD
JONATHAN F. MITCHELL, MAYOR

February 12, 2024

Glenn C. Rotondo
Regional Commissioner
General Services Administration
10 Causeway Street
Boston, MA 02222

Re: Hastings Keith Federal Building

Dear Commissioner Rotondo:

I write in response to our recent meeting in which you explained the General Service Administration's decision to begin a process to close the Hastings Keith Federal Building in New Bedford, of which you notified me in a letter dated November 8, 2023.

At the meeting, you explained that based on its most recent regional facilities review, GSA selected for closure the Keith Building, along with office buildings in Boston and Vermont, out of the approximately one hundred facilities GSA manages in New England. Although you noted that the Keith Building was in good working condition and would not need immediate capital repairs, GSA determined that it was too inefficient to operate. This conclusion was based primarily on GSA's "profitability" analysis, which assumes a local fair market value for a building's occupied space and deducts its operating costs. You noted that the building has a vacancy rate of 25%, and that you were unaware of any federal agencies interested in space in the building. You added that GSA needed to make hard decisions about the future of its facilities due to what you characterized as insufficient Congressional funding.

Although I can appreciate the pressure on GSA to economize its assets, I would like to make clear that the City firmly opposes the decision. Because it was based on a flawed methodology, incomplete information, and insufficient consideration of the decision's implications for the region, GSA should not proceed with the closure.

Like other distinct metropolitan areas with extensive federal interests, Greater New Bedford needs a primary federal building. A significant federal presence here would be necessary on the sole grounds that the Port of New Bedford is the country's highest grossing commercial fishing port, and the fishing industry is among the most tightly regulated by the federal government. There are hundreds of businesses based here that have regular reporting obligations to NOAA and are

subject to its enforcement of federal fisheries law. For these reasons, over the past several years there have been active discussions about the possibility of moving NOAA assets to New Bedford. At our meeting, I presented you with a copy of preliminary recommendations from NOAA's headquarters' staff that NOAA should consolidate its Northeast offices here. If anything, the prospect of moving NOAA employees to New Bedford raises the contrary question of whether a federal facility should be *added* here.

NOAA is hardly the only federal agency with extensive activities in Greater New Bedford. The Port's emergence as the East Coast leader in the offshore wind industry implicates other agencies with maritime responsibilities, including the Coast Guard (whose New Bedford-based personnel are currently situated in a municipal building), the Bureau of Ocean Energy Management, and the Army Corps of Engineers (which manages the New Bedford Hurricane Barrier). New Bedford also is the country's largest seafood processing center, with over twenty plants subject to USDA oversight. Moreover, thousands of residents in Greater New Bedford rely on payments from the Social Security Administration to make ends meet, and the region's large immigrant population interacts extensively with the Department of Homeland Security. The extent to which GSA assessed the needs of these agencies (or others with a presence in New Bedford such as the Drug Enforcement Administration and the Internal Revenue Service), to use space in the Keith Building is unclear. In short, the responsibilities of these agencies here are such that they could easily fill the vacant space in the Keith Building, and then some.

We appreciate your candor in noting that even if the building were fully occupied, you would recommend closure, as it still would be "unprofitable." The fundamental problem with GSA's profitability analysis, however, is that GSA is not in business to make a profit. Federal buildings in small and mid-size metropolitan areas almost invariably are less profitable than elsewhere because the price of commercial leasing space tends to be lower than in major metropolitan areas. The square footage cost of Class A office space in New Bedford is, for instance, less than a quarter of the going rate in Boston. It should go without saying that where the federal government administers its programs and delivers services should not depend on whether it can earn a theoretical profit on its assets. Its job rather, like that of its tenant agencies, is to serve the national interest as determined by Congress. The logic of GSA's analysis would lead the federal government to operate office buildings in only the most expensive real estate markets, which almost invariably are in downtowns of major cities. That is assuredly not what either Congress or the Biden Administration intended.

The decision to vacate a federal building and relocate agencies to privately owned space elsewhere in Greater New Bedford could have significant consequences in our region. Moving federal agencies into separate buildings could impede their ability to interact with one another, and thereby reduce the collective efficiency of their operations. It also could inhibit public access to federal services, compared to a one-stop arrangement at a centralized location. Pulling personnel out of an urban core with walkable access to retailers and restaurants could diminish the economic benefits of a unitary federal facility. And the loss of a city's "federal building", especially one that is a region's primary federal facility, can represent a loss of prestige to the city and the surrounding region. At a time when trust in government, particularly the federal government, is

arguably at an all-time low, an attenuation of the federal government's connection to the residents of the region is about the last thing the federal government should be doing in regions that are not part of major metropolitan areas.

It is not evident to us what weight, if any, GSA gave to these considerations. Your staff did not engage us before you notified me of your decision, and what has been presented to us raises more questions than provides answers. Before any further steps are taken, we ask that you provide a copy of the report on which your decision rests, so that we may begin to understand whether your assumptions about the local real estate market and other factors are valid. We stand ready to work with you and the state's Congressional delegation to arrive at the right decision for the federal government, the City and region.

Thank you for your consideration.

Sincerely,



Jon Mitchell

cc: Senator Elizabeth Warren
Senator Edward Markey
Representative William Keating
Greater New Bedford state legislative delegation
New Bedford City Council