



United States
Department of
Agriculture

Office of the General Counsel
1400 Independence Ave. SW
Washington, DC 20250-1400

September 21, 2021

Delivered via Electronic Mail

Austin R. Evers
American Oversight
1030 15th Street NW, Suite B255
Washington, District of Columbia 20005
Email: foia@americanoversight.org

Ricardo J. Salvador
Union of Concerned Scientists
1825 K Street NW, Suite 800
Washington, District of Columbia 20006

**Re: Second Supplemental Response to Freedom of Information Act (FOIA) Requests
2020-DA-02836-F, 2020-REE-03063-F, 2020-DA-02838-F, and 2020-DA-02842-F**

Dear Mr. Evers and Mr. Salvador:

This is the Office of Information Affairs (OIA), FOIA Division's **second supplemental response** to the above referenced FOIA requests. This correspondence also responds to the matter of *American Oversight, et al. v. U.S. Department of Agriculture, et al.*, Civil Action No. 20-1259-EGS, currently pending in the U.S. District Court for the District of Columbia.

The pending Complaint in the above-referenced matter is based on USDA's alleged failure to comply with the applicable time-limit provisions of the FOIA in response to American Oversight (AO) and the Union of Concerned Scientist's (UCS) above-referenced requests.

In response to AO and UCS' inquiry pertaining to the Agency's search process, the OIA conducted multiple manual and electronic searches for each request. The electronic searches were conducted by the OIA's telecommunications provider, the Client Experience Center (CEC). Each electronic search included custodians the OIA deemed most likely to have responsive records along with specific search terms including, but not limited to, "site visit," "cost benefit," "analysis," "relocation," "ERS," and "NIFA." Moreover, the different site visit locations as well as various iterations of each of the aforementioned terms were also included. As for the manual searches, the OIA asked each custodian to provide all responsive hard-copy files, text messages, electronic messages, and any other records they believed were not circulated via email and therefore, not captured as a result of the electronic searches.

The OIA has rereviewed the redactions made on the bates pages listed on the document entitled "Final Litigation Follow Up Items for USDA. AO", sent by AO and the UCS and enclosed herein. Upon review, the OIA has made further discretionary releases in each request.

Additionally, the CEC eComply team conducted an electronic search for the "ERS/NIFA Civil Rights Documents" which was attached to an email with Bates No. 0536 from FOIA Request No.

2020-REE-03063-F and requested by AO. The search resulted in four (4) pages of documents. These pages are being released today in their entirety.

Notwithstanding the fully released Civil Rights documents as well as the additional discretionary releases made, the OIA has determined that certain information should continue to be withheld pursuant to 5 U.S.C. § 552 (b)(5). Below are explanations of the information that the OIA is continuing to withhold.

Application of 5 U.S.C §552(b)(5) “FOIA Exemption 5”

FOIA Exemption 5 protects from disclosure those “inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency.” 5 U.S.C. §552(b)(5). This language is construed to protect records that are normally privileged in the civil discovery context, including through the deliberative process privilege and the attorney-client privilege. As an initial matter, the information withheld meets the threshold requirement because it is contained in internal emails sent between federal employees. Where possible, the OIA has determined to make discretionary releases of information that falls within the protection of Exemption 5.

In this instance, the OIA is continuing to withhold, under the deliberative process privilege, pre-decisional, inter- and intra-agency discussions, and future agency actions on the Economic Research Service (ERS) and National Institute of Food and Agriculture’s (NIFA) relocation. Specifically, the withheld material consists of information on funding, draft and cost information not used in the Cost Benefit Analysis, incentive proposals and figures, and questions with regard to the relocation. By withholding this information, the OIA is protecting the integrity of the agency’s decision-making process and ensuring no inhibition of free and frank exchange between agency personnel. The OIA is also ensuring against the premature disclosure of inaccurate final information and documents, which could if released, cause confusion to the public.

The OIA is also continuing to withhold information under the attorney-client privilege. This privilege protects confidential communications between an attorney and his/her client relating to a legal matter for which the client has sought professional advice. Although this privilege fundamentally applies to facts divulged by a client to his/her attorney, this privilege also encompasses any opinion given by an attorney to his/her client based upon those facts, as well as communications between attorneys that reflect client supplied information. In this instance, the FOIA Division is withholding information that would reveal the substantive content of a document between a client and their counsel.

In light of the matter *American Oversight, et al. v. U.S. Department of Agriculture, et al.*, Civil Action No. 20-1259-EGS, currently pending in the U.S. District Court for the District of Columbia, administrative appeal rights are not being provided in this supplemental response letter.

Austin R. Evers / Ricardo J. Salvador

FOIA Requests 2020-DA-02836-F, 2020-REE-03063-F, 2020-DA-02838-F, and 2020-DA-02842-F

Page 3

If you have any questions or concerns about this supplemental response or the pending civil action, please contact John Truong, Assistant United States Attorney, U.S. Department of Justice at John.Truong@usdoj.gov.

Sincerely,

Alexis R. Graves

Alexis R. Graves

Director

Office of Information Affairs

Enclosures: Final Litigation Follow Up Items for USDA. AO
 20-cv-01259-EGS AO Final Litigation Follow Up Items_Redacted (89 pages)
 2020-REE-03063-F Civil Rights Documents (4 pages)

From: [Esch, Michele - ARS](#)
To: [Boswell, Kristi - OSEC, Washington, DC](#); [Boswell, Kristi J. EOP/WHO](#); [Knupp, Courtney - OSEC, Washington, DC](#); [Tkacz, Kailee - OSEC, Washington, DC](#); [Bice, Don - OSEC, Washington, DC](#)
Subject: FW: Additional Buildings Proposed for Site Tours
Date: Tuesday, May 14, 2019 8:43:06 AM
Attachments: [555-Mangum Flyer.pdf](#)
[220%20NORTH%20MERIDIAN.PDF](#)
[Renner Ridge Corp Center - Lenexa KS.PDF](#)
[Sprint Campus - Overland Park KS.PDF](#)
[Thrive Building - KCMO.PDF](#)

For us to consider and discuss with them at our call at noon. We will also provide feedback on the site visit scorecard they provided us yesterday (and was discussed during our leadership team meeting).

Please let me know if you are not able to make the meeting at noon.

Michele

Michele Esch

Special Projects Coordinator

Executive Director, NAREEE Advisory Board

U.S. Department of Agriculture

(o) 202.720.8408

(c) (b)(6)

michele.esch@ars.usda.gov

From: Sanat Valecha <(b)(6)@ey.com>
Sent: Monday, May 13, 2019 7:51 PM
To: Esch, Michele - ARS <Michele.Esch@ARS.USDA.GOV>
Cc: Catherine Von Seggern <(b)(6)@ey.com>; Francisco E Rodriguez <(b)(6)@ey.com>
Subject: Additional Buildings Proposed for Site Tours

Hello Michele,

In finalizing the site visit agendas, the 3 short-listed EOI applicants asked to include additional site tours of buildings that were not previously offered. The new buildings are summarized below and marketing brochures are attached. We are looking to confirm whether the USDA would like to tour the additional buildings, and if so, which ones.

Kansas City also indicated they would like to include a site tour of the Thrive building at 2555 Grand Boulevard in downtown Kansas City, MO. This Class A building was included in the original proposal; however, we had discussed removing from the site tour list since the available square footage falls short of our requirement (only 105,026 available SF out of 595,607 total SF). Please confirm whether a site tour of the Thrive building should be included in the agenda.

Thank you.

From: [Hutchins, Scott - OSEC, Washington, DC](#)
To: [Johansson, Robert - OCE](#); [Boswell, Kristi - OSEC, Washington, DC](#); [Tkacz, Kailee - OSEC, Washington, DC](#); [Knupp, Courtney - OSEC, Washington, DC](#)
Subject: FW: visits
Date: Wednesday, May 8, 2019 5:48:06 PM
Attachments: [image003.png](#)

FYI. I opted for option 2 ...

Scott H. Hutchins, Ph.D.



Deputy Under Secretary
 Research, Education, and Economics
 United States Department of Agriculture
 Office: 202.720.1542

From: Hutchins, Scott - OSEC, Washington, DC
Sent: Wednesday, May 8, 2019 5:39 PM

To: Leibtag, Ephraim - ERS <ELEIBTAG@ers.usda.gov>; Hartley, Chris - ERS <CHARTLEY@ERS.USDA.GOV>
Subject: RE: visits

Good plan ... any chance you have a Sr. Leader who would be relocating to address that angle too?

Scott H. Hutchins, Ph.D.



Deputy Under Secretary
 Research, Education, and Economics
 United States Department of Agriculture
 Office: 202.720.1542

From: Leibtag, Ephraim - ERS
Sent: Wednesday, May 8, 2019 5:36 PM

To: Hutchins, Scott - OSEC, Washington, DC <Scott.Hutchins@usda.gov>; Hartley, Chris - ERS <CHARTLEY@ERS.USDA.GOV>
Subject: Re: visits

Scott,

Chris and I have been the two people managing the drama up until this point and I would have concerns if both of us were to be away for multiple days at the same time given the current temperature here.

I have two other approaches for consideration:

1. Chris represent ERS (and OCE) on the site visits.

Chris has represented ERS admirably during the past 8 months and I have every confidence in him doing so on the site visits. I also have full confidence that both you and Don have heard from our employee teams and are able to convey those interests during the site visit process. (I also see no problem with Chris exploring and verifying the needs of both ERS and OCE given that the two groups work together on many issues and will have many of the same needs regarding connectivity and technology.)

2. Chris represent OCE and we send another ERS Senior Leader to represent ERS.

This would allow me to better ensure stability within the agency, while providing an opportunity for someone with long-term experience regarding the needs of ERS (as an agency to complete its mission) to gather information with the team on the site visits.

Happy to discuss whenever convenient.

Thanks,

Ephraim

(b)(6)

From: Hutchins, Scott - OSEC, Washington, DC <Scott.Hutchins@usda.gov>

Sent: Wednesday, May 8, 2019 5:09 PM

To: Leibtag, Ephraim - ERS; Hartley, Chris - ERS

Subject: FW: visits

I'm OK with this ... but Ephraim we need you to have your team ready to deal with whatever drama might be going on while you are away.



Scott H. Hutchins, Ph.D.

Deputy Under Secretary

Research, Education, and Economics

United States Department of Agriculture

Office: 202.720.1542

From: Johansson, Robert

- OCE

Sent: Wednesday, May 8,

2019 4:42 PM

To: Hutchins, Scott - OSEC, Washington, DC <Scott.Hutchins@usda.gov>; Boswell, Kristi - OSEC, Washington, DC <kristi.boswell@usda.gov>

Subject: visits

Hi Scott and Kristi,

I am good with Chris looking out for OCE and REE constituencies and having Ephraim focus more on ERS viewpoint.

Having Chris be part of this, if he's going to continue working on this issue, is a good idea.

Having Ephraim take more ownership of the ERS component is also a good idea.

If you are all good with that, then let's have that be the plan.

I don't need to go, and it may be difficult for me to get away anyways based on some separate issues.

Rob



Robert Johansson, Chief Economist

U.S. Department of Agriculture

Whitten Building, Room 112-A

Washington, DC 20250-3810

☎ 202-720-4164 & 202-720-5955

🌐 <https://www.usda.gov/OCE/>

From: [Hutchins, Scott - OSEC, Washington, DC](#)
To: [Leibtag, Ephraim - ERS](#); [Tkacz, Kailee - OSEC, Washington, DC](#); [Hartley, Chris - ERS](#)
Cc: [Knupp, Courtney - OSEC, Washington, DC](#)
Subject: Re: visits
Date: Thursday, May 9, 2019 8:24:00 AM
Attachments: [image002.png](#)

Great. Thanks!

From: "Leibtag, Ephraim - ERS" <ELEIBTAG@ers.usda.gov>
Date: Thursday, May 9, 2019 at 8:00:45 AM
To: "Tkacz, Kailee - OSEC, Washington, DC" <kailee.tkacz@usda.gov>, "Hutchins, Scott - OSEC, Washington, DC" <Scott.Hutchins@usda.gov>, "Hartley, Chris - ERS" <CHARTLEY@ERS.USDA.GOV>
Cc: "Knupp, Courtney - OSEC, Washington, DC" <Courtney.Knupp@usda.gov>
Subject: Re: visits

Scott and Kailee,

Jay is willing to represent ERS on the site visits.

I discussed with him this morning and he is set to take the ethics training today and Chris and I will brief him on the plans later today.

Thanks,

Ephraim

From: Tkacz, Kailee - OSEC, Washington, DC
Sent: Wednesday, May 8, 2019 9:50:26 PM
To: Hutchins, Scott - OSEC, Washington, DC; Leibtag, Ephraim - ERS; Hartley, Chris - ERS
Cc: Knupp, Courtney - OSEC, Washington, DC
Subject: RE: visits

All will confirm with this chain after I speak with Dep Sec in the AM once I confirm can Ephraim can you confirm Jay can join for the training tomorrow afternoon and you will be off the hook stay tuned!

From: Hutchins, Scott - OSEC, Washington, DC
Sent: Wednesday, May 8, 2019 5:56 PM

To: Leibtag, Ephraim - ERS <ELEIBTAG@ers.usda.gov>; Hartley, Chris - ERS <CHARTLEY@ERS.USDA.GOV>

Cc: Tkacz, Kailee - OSEC, Washington, DC <kailee.tkacz@usda.gov>; Knupp, Courtney - OSEC, Washington, DC <Courtney.Knupp@usda.gov>

Subject: RE: visits

Great choice ... thank you.



Scott H. Hutchins, Ph.D.

Deputy Under Secretary
Research, Education, and Economics
United States Department of Agriculture
Office: 202.720.1542

From: Leibtag, Ephraim - ERS

Sent: Wednesday, May 8,
2019 5:55 PM

To: Hutchins, Scott - OSEC, Washington, DC <Scott.Hutchins@usda.gov>; Hartley, Chris - ERS <CHARTLEY@ERS.USDA.GOV>

Cc: Tkacz, Kailee - OSEC, Washington, DC <kailee.tkacz@usda.gov>; Knupp, Courtney - OSEC, Washington, DC <Courtney.Knupp@usda.gov>

Subject: RE: visits

Scott,

Jay Variyam would be an excellent choice given his experience and position in the agency as well as the relocation issue (his willingness to do so).

I will talk to him first thing in the morning and follow up with Kailee and Courtney right away after that to ensure we get the training done tomorrow afternoon.

Ephraim

From: Hutchins, Scott - OSEC, Washington, DC

Sent: Wednesday, May 8, 2019 5:50 PM

To: Leibtag, Ephraim - ERS <ELEIBTAG@ers.usda.gov>; Hartley, Chris - ERS <CHARTLEY@ERS.USDA.GOV>

Cc: Tkacz, Kailee - OSEC, Washington, DC <kailee.tkacz@usda.gov>; Knupp, Courtney - OSEC, Washington, DC <Courtney.Knupp@usda.gov>

Subject: RE: visits

Ephraim,

I like Option 2 ... but there is a mandatory ethics briefing tomorrow for all site visit attendees, so get the name to Kailee/Courtney as soon as possible.



Scott H. Hutchins, Ph.D.

Deputy Under Secretary
Research, Education, and Economics
United States Department of Agriculture
Office: 202.720.1542

From: Hutchins, Scott -
OSEC, Washington, DC
Sent: Wednesday, May 8,

2019 5:39 PM

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<CHARTLEY@ERS.USDA.GOV>

Subject: RE: visits

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Deputy Under Secretary
Research, Education, and Economics
United States Department of Agriculture
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2019 5:36 PM

To: Hutchins, Scott - OSEC, Washington, DC <Scott.Hutchins@usda.gov>; Hartley, Chris - ERS
<CHARTLEY@ERS.USDA.GOV>

Subject: Re: visits

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(b)(6)

From: Hutchins, Scott - OSEC, Washington, DC <Scott.Hutchins@usda.gov>

Sent: Wednesday, May 8, 2019 5:09 PM

To: Leibtag, Ephraim - ERS; Hartley, Chris - ERS

Subject: FW: visits

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Scott H. Hutchins, Ph.D.

Deputy Under Secretary
Research, Education, and Economics
United States Department of Agriculture
Office: 202.720.1542

From: Johansson, Robert -
OCE

Sent: Wednesday, May 8,
2019 4:42 PM

To: Hutchins, Scott - OSEC, Washington, DC <Scott.Hutchins@usda.gov>; Boswell, Kristi - OSEC,
Washington, DC <kristi.boswell@usda.gov>

Subject: visits

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Rob



Robert Johansson, Chief Economist

U.S. Department of Agriculture

Whitten Building, Room 112-A

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🌐 <https://www.usda.gov/OCE/>

Incentives Plan During Site Visit

- USDA will not request anything from an EOI.
- The communities/economic development agencies/landlords will need to determine what they can offer.
- Landlords should be asked to make best offer and place in GSA's Automated Advanced Acquisition Program.
- For offers that can't be incorporated into landlord lease submission, USDA suggests that they submit a letter of intent from the community/economic development agency/organization.
- This letter of intent, if applicable, should be submitted within 2 days of the site visit.

2020-DA-02838-F

From: Johansson, Robert - OCE

Sent: Friday, June 29, 2018 7:12 PM

To: Boswell, Kristi - OSEC, Washington, DC; Bice, Don - OSEC, Washington, DC; Appleton, Brooke - OSEC, Washington DC

Subject: draft docs for STL project

Attachments: USDA-internal_ERS_06292018_7pm.docx; Congressional Notification 180 days_06292018_7pm.docx; OMB one pager --- Economics at USDA_06292018_7pm.docx; Secretary Memorandum_Economics at USDA_06292018_7pm.docx; Expression of Interest-ERS_06292018_7pm.docx; Rollout Plan Economics at USDA_06292018_7pm.docx

Attachments 1-2 & 4-6 (18 pages total) are non-responsive.

Follow Up Flag: Follow up

Flag Status: Flagged

Hi All,

I am working off the docs from the FPAC realignment. I added one to include outreach to OMB on this as well. Comments welcome. Don, how does this align with the progress for NIFA package?

Rob



Robert Johansson, Chief Economist
U.S. Department of Agriculture
Whitten Building, Room 112-A
Washington, DC 20250-3810
☎ 202-720-4164 & 202-720-5955
🌐 <https://www.usda.gov/OCE/>

From: Johansson, Robert - OCE

Sent: Monday, July 2, 2018 8:35 AM

To: CLS1, SLC1 - OSEC, Washington, DC; Appleton, Brooke - OSEC, Washington DC; Boswell, Kristi - OSEC, Washington, DC; Bice, Don - OSEC, Washington, DC

CC: Beach, Allie - OSEC, Washington, DC

Subject: RE: reorgs

Attachments: Rollout Plan Economics at USDA_06292018_7pm.docx; Expression of Interest-ERS_06292018_7pm.docx; Secretary Memorandum_Economics at USDA_06292018_7pm.docx; USDA-internal_ERS_06292018_7pm.docx; Congressional Notification 180 days_06292018_7pm.docx; OMB one pager --- Economics at USDA_06292018_7pm.docx **Attachments 1-5 (18 pages total) are non-responsive. Attachment 6 (2 pages) is withheld as a duplicate of Bates Nos. 0002-0003. (Bates Nos. 0006-0007).**

Follow Up Flag: Follow up

Flag Status: Flagged

Thanks. I think that makes sense. I tentatively scheduled a meeting with Kristi and Don for Thursday at 11am, but can adjust if there is a better day/time.

I also forwarded draft documents last week that we would need to have in place:

- Sec memo
- Congressional notification
- Internal staff memo
- Roll-out strategy
- OMB discussion paper
- Notification of location bid

I'll reattach those here for our discussion.

Cheers,

Rob

From: CLS1, SLC1 - OSEC, Washington, DC

Sent: Monday, July 2, 2018 8:12 AM

To: Johansson, Robert - OCE <RJohansson@oce.usda.gov>; Appleton, Brooke - OSEC, Washington DC <Brooke.Appleton@osec.usda.gov>; Boswell, Kristi - OSEC, Washington, DC <Kristi.Boswell@osec.usda.gov>; Bice, Don - OSEC, Washington, DC <Don.Bice@osec.usda.gov>

Cc: Beach, Allie - OSEC, Washington, DC <Allison.Beach@osec.usda.gov>

Subject: RE: reorgs

Predecisional/Deliberative

Rob,

When we briefed the Secretary, he was the one that wondered whether we might be ready soon to pull the trigger on NIFA and wondered whether the ERS/OCE reorg and potential relo might be a bit further behind. Probably makes sense for us all to compare notes on this and reach a definite conclusion/recommendation.

Allie, can you try to schedule a 30 minute meeting?

Thanks and best regards,

Steve

Stephen L. Censky
Deputy Secretary
U.S. Department of Agriculture
Office 202-20-6052

From: Johansson, Robert - OCE
Sent: Monday, June 25, 2018 10:00 AM
To: Appleton, Brooke - OSEC, Washington DC <Brooke.Appleton@osec.usda.gov>; Boswell, Kristi - OSEC, Washington, DC <Kristi.Boswell@osec.usda.gov>; Bice, Don - OSEC, Washington, DC <Don.Bice@osec.usda.gov>
Cc: CLS1, SLC1 - OSEC, Washington, DC <SLC1@osec.usda.gov>
Subject: reorgs

Hi All,

When first discussed OSEC was interested in combining several re-org proposals, particularly NIFA and ERS and potentially some others.

Thought was that when briefings on the Hill were held, it would be easier to brief on several items at the same time like we did with RD and FPAC and NRE last time.

Based on the fact that NIFA package is further along than ERS and others, does it make sense to:

- Not worry about bundling
- Speed up other packages and/or
- Hold on NIFA to let the other actions catch up.

Can we meet this week to discuss?

Rob



Robert Johansson, Chief Economist
U.S. Department of Agriculture
Whitten Building, Room 112-A
Washington, DC 20250-3810
☎ 202-720-4164 & 202-720-5955
🌐 <https://www.usda.gov/OCE/>

From: Johansson, Robert - OCE

Sent: Friday, July 6, 2018 8:53 AM

To: Bice, Don - OSEC, Washington, DC; Boswell, Kristi - OSEC, Washington, DC

Subject: RE: NIFA

Attachments: Secretary Memorandum_Economics at USDA_007052018_230pm.docx; Expression of Interest-ERS_07052018_230pm.docx; Congressional Notification 180 days_07052018_230pm.docx; OMB one pager --- Economics at USDA_07052018_230pm.docx; USDA-internal_ERS_07052018_230pm.docx; Rollout Plan Economics at USDA_07052018_230pm.docx

Attachments 1-3 & 5-6 (18 pages total) are non-responsive.

Follow Up Flag: Follow up

Flag Status: Flagged

Here's the updated docs I have for ERS. DSec had some comments.

If you all have any suggestions before next week, let me know.

I assume we'll need some sort of 1010 package with Org Chart and staff list and #'s.

Do you have a template for that?

Also, can we (b)(5) DPP ? If we (b)(5) DPP

Thx.

Rob

From: Bice, Don - OSEC, Washington, DC

Sent: Friday, July 6, 2018 8:46 AM

To: Johansson, Robert - OCE <RJohansson@oce.usda.gov>; Boswell, Kristi - OSEC, Washington, DC <Kristi.Boswell@osec.usda.gov>

Subject: RE: NIFA

Not public but NIFA leadership knows. The former administrator also was warning stakeholders apparently. Attached is what we have so far:

1. One page summary I talked the Deputy and Secretary through;
2. Draft of a congressional notification/report requested as part of the 2018 omnibus on the use of the \$6 million appropriated; and
3. The Draft expression of interest that would be published in the Federal Register.

I shared a template for a rollout timeline with NIFA and they were working on that.

From: Johansson, Robert - OCE

Sent: Thursday, July 5, 2018 5:16 PM

To: Bice, Don - OSEC, Washington, DC <Don.Bice@osec.usda.gov>; Boswell, Kristi - OSEC, Washington, DC <Kristi.Boswell@osec.usda.gov>

Subject: NIFA

FYI/ I spoke with someone at BEA today who heard that NIFA was getting moved.

USDA-20-0424, 20-0426-E, 20-0427-E-000018

0008

Is that already public? Do you have any of those rollout materials I could use for the briefing docs on ERS?

Thx,

Rob



Robert Johansson, Chief Economist
U.S. Department of Agriculture
Whitten Building, Room 112-A
Washington, DC 20250-3810
☎ 202-720-4164 & 202-720-5955
🌐 <https://www.usda.gov/OCE/>

From: Johansson, Robert - OCE

Sent: Thursday, August 2, 2018 3:25 PM

To: Appleton, Brooke - OSEC, Washington DC; Boswell, Kristi - OSEC, Washington, DC; Bice, Don - OSEC, Washington, DC

Subject: FW: reorg and realignment

Attachments: NIFAERSreorgrelocationCongressionalnotification.docx; OMB one pagerERS.NIFA_08022018.docx

Attachment 1 (3 pages) is non-responsive.

Follow Up Flag: Follow up

Flag Status: Flagged

All,

To summarize our meeting with OMB staff ---

- They are annoyed that they are getting this less than a week before we roll it out
- They would like to see analysis that shows why we couldn't cut ERS by 40% and relocate them in DC area
- They think there may be other USDA or govt owned buildings with low capacity that could house these staff; e.g., Beltsville (even though Don pointed out that was still in the DC metro).
- They characterize this as "expanding" government --- Don and I couldn't figure out how they came to that conclusion.
- They pointed out we work for the Administration not Congress. Again, not sure why that was relevant other than to note that we should share more documents with them and let them have a heavier hand in this sort of planning.
- When asked if we were understanding their concerns correctly, they pointed out that they hadn't really had enough time to react to the proposal, but would be sure to brief their leadership.

I indicated that they should get back to us with any redflags by tomorrow. I also sent the following (below) to Jim H to let him know of the plans.

Don, did I miss anything?

Rob

From: Johansson, Robert - OCE

Sent: Thursday, August 2, 2018 3:16 PM

To: Herz, James P. EOP/OMB <James.P.Herz@omb.eop.gov>

Cc: Boswell, Kristi - OSEC, Washington, DC <Kristi.Boswell@osec.usda.gov>; Adrienne_C._Erbach@omb.eop.gov

Subject: reorg and realignment

Hi Jim,

Just wanted to give you a heads up that you will likely be hearing from your staff today regarding a relocation and realignment of ERS and relocation of NIFA.

They just received the docs I am sending you and they didn't have a lot of time to digest before the call we had this afternoon.

This proposal lines up with the Administration's desire to save budget and to move govt out of DC back closer to stakeholders --- this plan does that.

Further the realignment of ERS will help focus economic analysis on the Administration's priority areas.

The D/Sec discussed this with Margaret Weichert last week, so you may already be aware.

We plan to notify Congress and staff next week --- in general this has been very close hold for obvious reasons.

If you want to get on the line to discuss with me or others let us know.

CC'ing Kristi Boswell on this as the lead POC in the Secretary's office.

Cheers,

Rob



Robert Johansson, Chief Economist

U.S. Department of Agriculture

Whitten Building, Room 112-A

Washington, DC 20250-3810

☎ 202-720-4164 & 202-720-5955

🌐 <https://www.usda.gov/OCE/>



Informational Memorandum regarding the Realignment of the Economic Research Service (ERS) and Relocation of ERS and the National Institute for Food and Agriculture Outside the National Capital Region

Refocusing of efforts on core mission is required at USDA to make USDA the most efficient, effective, and customer focused agency in the Federal government. As part of the next phase of reorganizational efforts at USDA, the Economic Research Service (ERS) will be realigned under the Office of the Chief Economist (OCE) to ensure that the economic analyses provided by the Department address customers' needs across the economy and are targeted to the key questions needed to support decision making here at the Department and by Congress.

In addition, Departmental Administration will solicit bids for NIFA and ERS office space outside the confines of the DC Metro region. NIFA and ERS faces difficulty hiring, developing, and retaining staff. The cost of living is high in the DC Metro area, starting salaries for economists in this area are not competitive compared to many other regions, the commuting and housing environment is difficult, and there are not large agricultural economics graduate programs nearby. Moreover, office space is comparatively expensive, and this move will provide more accountability to taxpayers over time.

(1) ERS Realignment

Economic analysis provided by USDA for the public should be consistent and aligned with Department priorities. Current informational gaps occur in several areas, and this realignment will help refocus our efforts: situation and outlook, infrastructure, regulation, trade, and farm income. OCE already has delegated authorities needed to oversee and direct ERS. ERS will remain a Statistical Agency and will continue to prepare Principal Federal Economic Indicators. The budget for ERS will remain with ERS functions.

A. Congressional notification --- 30 days

(2) NIFA and ERS Relocation

NIFA and ERS have had a difficult time hiring, developing, and retaining employees particularly agriculture scientists, and economists in the vital area of situation and outlook for the major commodity sectors. The DC metro Region has a high cost of living for new employees such as GS-9 Master's and GS-12 Ph.D. scientists and economists, and the commuting environment is difficult. The current situation with situation and outlook highlights that ERS's current hiring and retention strategy is unsustainable, with a primary reason being the current location.

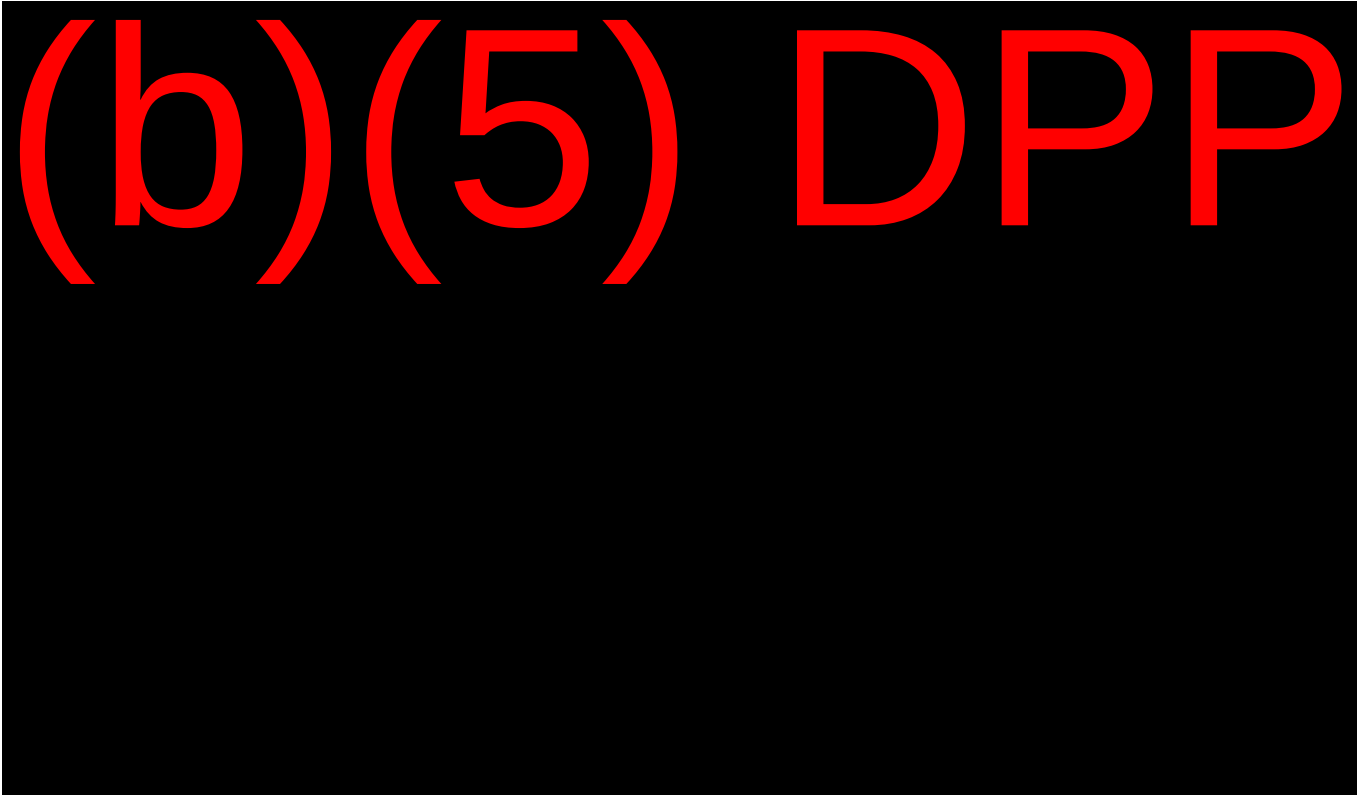
**CONFIDENTIAL DRAFT – DELIBERATIVE AND PRE- DECISIONAL
JULY 30, 2018**

While the University of Maryland is nearby, the majority of agricultural scientists and economics graduate programs are located in the middle of the country, near the majority of USDA's stakeholders. Placing NIFA and ERS closer to the bulk of farm production and the majority of Land Grant universities, where starting salaries will be more competitive, will improve hiring and retention rates for staff (particularly those with farm backgrounds).

(b)(5) DPP

CONFIDENTIAL DRAFT – DELIBERATIVE AND PRE- DECISIONAL
JULY 30, 2018

(b)(5) DPP



From: Bice, Don - OSEC, Washington, DC

Sent: Tuesday, August 7, 2018 2:47 PM

To: Johansson, Robert - OCE; Boswell, Kristi - OSEC, Washington, DC; Appleton, Brooke - OSEC, Washington DC

Subject: RE: ERS/NIFA Relocation and Realign

Follow Up Flag: Follow up

Flag Status: Flagged

(b)(5) DPP

From: Johansson, Robert - OCE

Sent: Tuesday, August 7, 2018 1:20 PM

To: Bice, Don - OSEC, Washington, DC <Don.Bice@osec.usda.gov>; Boswell, Kristi - OSEC, Washington, DC <Kristi.Boswell@osec.usda.gov>; Appleton, Brooke - OSEC, Washington DC <Brooke.Appleton@osec.usda.gov>

Subject: FW: ERS/NIFA Relocation and Realign

Hi All,

Please see note below. I don't know what the statutory leasing authority is. Don can you answer that?

(b)(5) DPP

(b)(5) DPP, (b)(6) --- not sure about NIFA, their questions seem to be general. To get them past this, we need their leadership to weigh in. Or slog through this process and delay the roll out.

Brooke and Kristi, how do you want to proceed?

Rob

From: Stein, Nora H. EOP/OMB <(b)(6)>
Sent: Tuesday, August 7, 2018 1:12 PM
To: Johansson, Robert - OCE <RJohansson@oce.usda.gov>
Cc: Saunders, Ruth D. EOP/OMB <(b)(6)>
Subject: FW: ERS/NIFA Relocation and Realign

Rob—we are still coordinating across OMB on clearance but in the meantime can you please provide the statutory citation for USDA's leasing authority referenced below (see highlight)?

Based on the QFRs Margaret is getting on the larger reorg proposal I know we will get questions on legal authority and benefit cost analysis. Since, USDA has not demonstrated that the proposal will result in savings (the buildout costs are underestimated), USDA should be able to speak to how the mission benefits outweigh the costs to the taxpayer.

From: Boswell, Kristi - OSEC, Washington, DC <Kristi.Boswell@osec.usda.gov>
Sent: Tuesday, August 7, 2018 10:08 AM
To: Herz, James P. EOP/OMB <(b)(6)>
Cc: Stein, Nora H. EOP/OMB <(b)(6)>; Saunders, Ruth D. EOP/OMB <(b)(6)>
Subject: ERS/NIFA Relocation and Realign

Jim,

Good morning, please see below USDA responses to your staff questions. As you recall, the Secretary has approved the attached timeline that has him calling up to the Hill tomorrow. I believe we have thoroughly answered the concerns and need to get this wrapped up today to stay with the Secretary's timeline. I appreciate you and your staff's attention to this matter.

Thanks,



Kristi J. Boswell
 Senior Advisor to the Secretary

United States Department of Agriculture
 Office: 202.720.9990
 Cell: 202.281.5695

From: Stein, Nora H. EOP/OMB <(b)(6)>
Sent: Monday, August 6, 2018 3:13 PM
To: Johansson, Robert - OCE <RJohansson@oce.usda.gov>
Cc: Saunders, Ruth D. EOP/OMB <(b)(6)>; Bice, Don - OSEC, Washington, DC

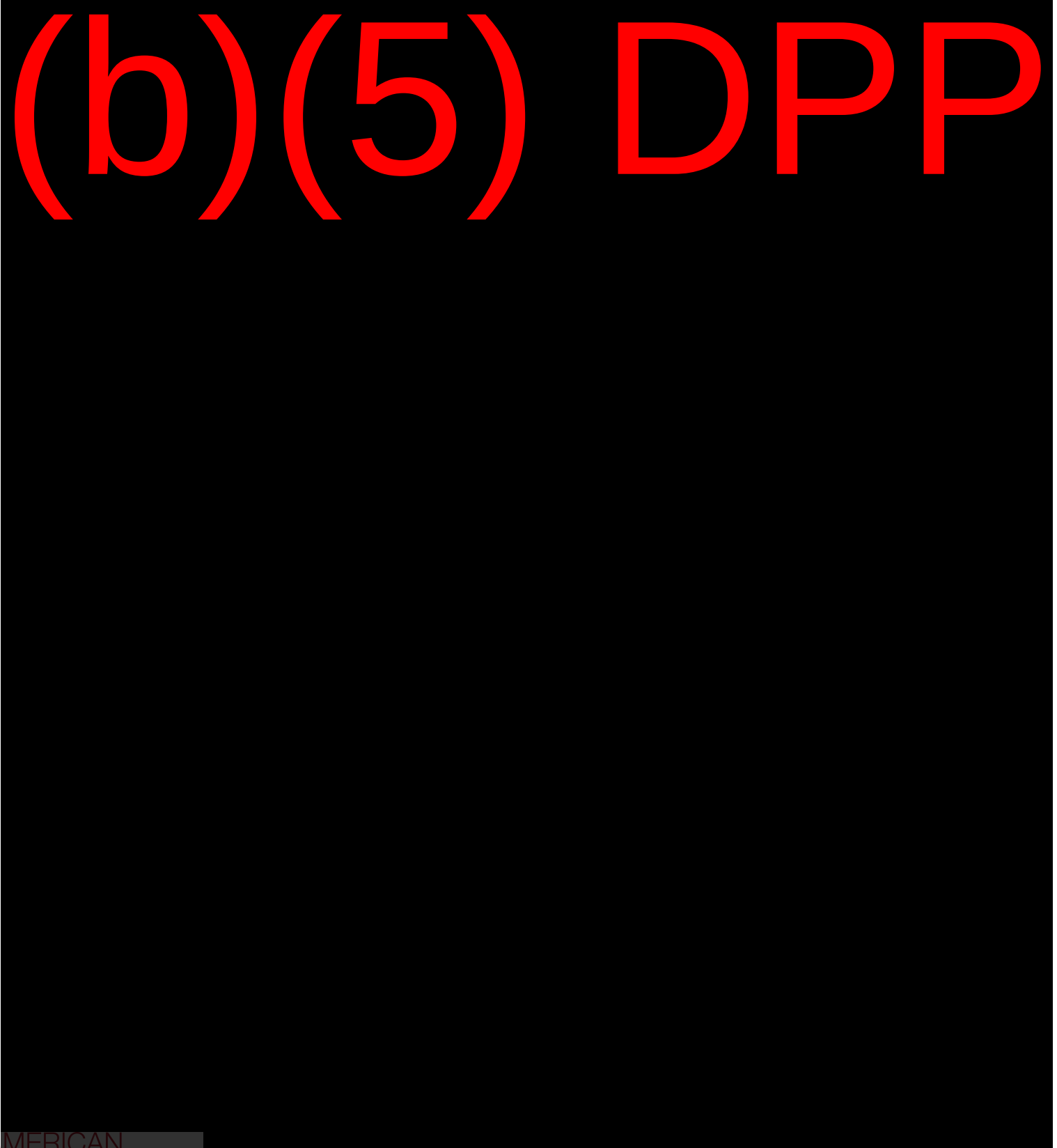
<Don.Bice@osec.usda.gov>

Subject: RE: relocation/realign

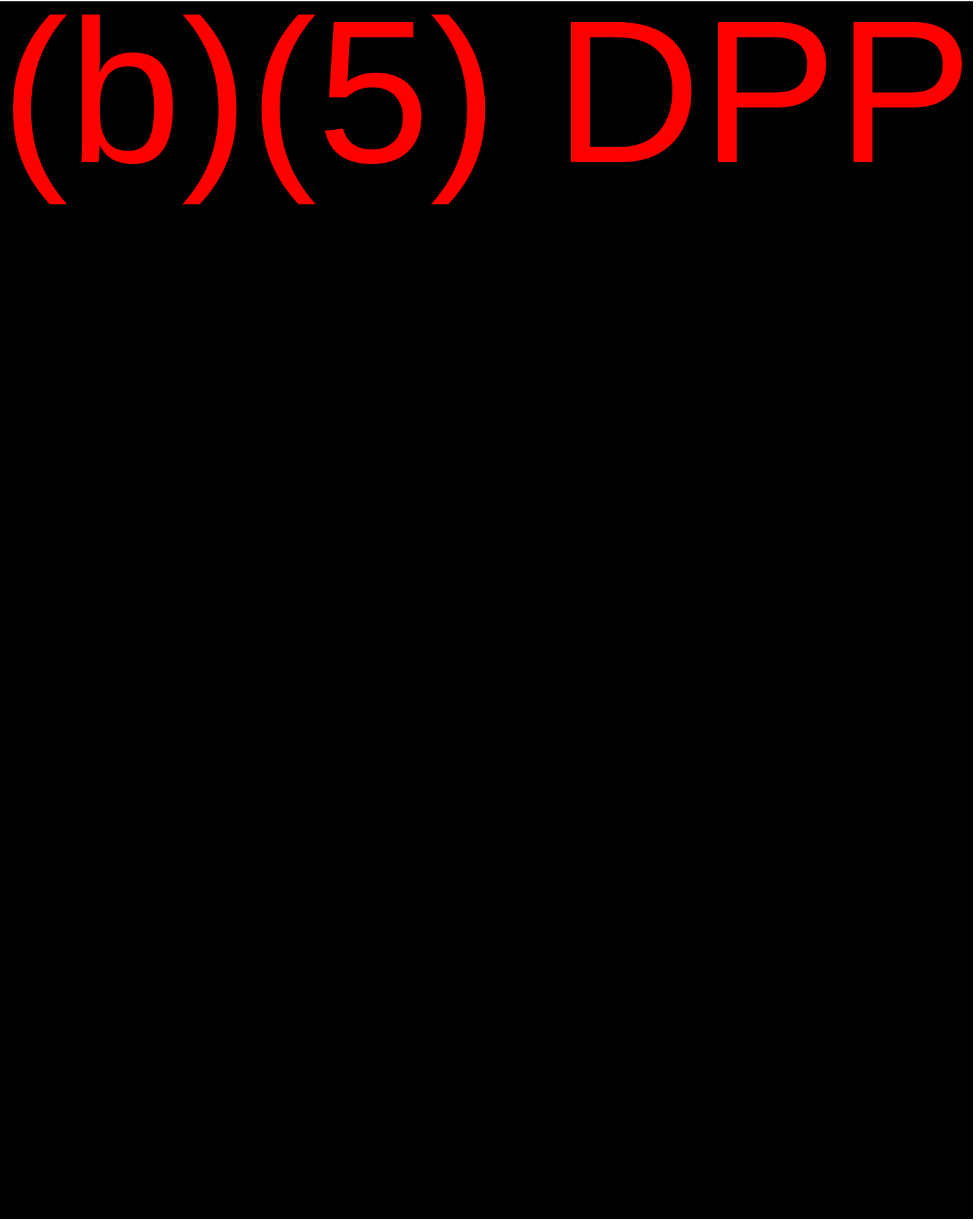
Rob—thanks for working with us on this proposal. We discussed the proposal with the GSA Examiner and have some additional questions (below and attached).

Please also provide us with a copy of the 'Expressions of Interest' that USDA plans to release as soon as possible.

(b)(5) DPP



(b)(5) DPP



(b)(5) DPP

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Overall Approach

2020-DA-02838-F

- ▶ Assume 15 year lease term?
- ▶ Confirm net present value (NPV) discount rate – (b)(5) DPP
- ▶ What year is best representation of stabilize operations at the new location(s)
- ▶ Should model consider Agencies co-located or separate?
- ▶ Confirm site location specifics
 - ▶ Temporary space through 15 Jul 2019? Location dependent?
 - ▶ Purdue: temporary space through Apr 2020? Assume 5 month fit out?
 - ▶ Assume leases to be executed by 1 Oct 2019?
- ▶ What is the transition timeline for positions – staggered across months, quarters, years?
- ▶ What is the breakout of employees retiring, taking severance, and hiring?

Ground rules and assumptions

2020-DA-02838-F



Ground rules and assumptions

2020-DA-02838-F

Personnel - Staffing

- ▶ Number of employees in each GS category is location-independent
- ▶ Used FY2019 OPM government civilian salaries based on GS grade level, step 5 (<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2019/general-schedule/>)
- ▶ Benefits are equal to 31% of base salary for specific GS grade level
- ▶ COLA adjustments to salary are applied AFTER benefit calculation
- ▶ No bonuses for employees retiring, relocating, or staying
- ▶ Training/Hiring/Recruiting costs are estimated at \$3,500 per new hire
- ▶ Used 2% inflation rate for government civilian salaries per fiscal year
- ▶ Severance costs: equal to yearly salary based on specific GS grade level
- ▶ Used average NIFA and ERS government civilian salaries to calculate costs for employees transitioning in lieu of using GS grade level
 - ▶ ERS: <https://www.obpa.usda.gov/16ers2020notes.pdf>,
 - ▶ NIFA: <https://www.obpa.usda.gov/19nifa2020notes.pdf>

Ground rules and assumptions

2020-DA-02838-F

Personnel – Staffing continued

- ▶ TDY personnel: assumed 20 employees on TDY for 60 days – used 2019 GSA per diem rates from <https://www.federalpay.org/perdiem/2019>
 - ▶ Bi-weekly flights home (four flights * eight weeks = 32 flights)
 - ▶ Per diem hotel, M&IE
 - ▶ POV mileage for 60 mile trip (4 trips * 8 weeks = 32 flights) – added to cover travel from DCA airport to residence
 - ▶ Added car rental costs at \$50 per day while on TDY

(b)(5) DPP

Ground rules and assumptions

2020-DA-02838-F

Personnel – NIFA Stay-Go list

GS Level	# of Employees staying	# of Employees relocating
1	0	0
2	0	0
3	0	1
4	0	0
5	0	8
6	0	2
7	0	25
8	0	6
9	10	42
10	0	6
11	0	15
12	0	59
13	5	31
14	1	35
15	3	63
SES Level V	0	0
SES Level IV	0	0
SES Level III	0	0
SES Level III	1	0
SES Level I	1	1
Totals	21	294
Grand Total		315

Ground rules and assumptions

2020-DA-02838-F

Personnel – ERS Stay-Go list

GS Level	# of Employees staying	# of Employees relocating
1	0	0
2	0	0
3	0	1
4	0	3
5	0	1
6	0	1
7	0	4
8	0	0
9	4	10
10	0	0
11	2	32
12	3	56
13	21	62
14	24	38
15	21	40
SES Level V	0	0
SES Level IV	0	0
SES Level III	0	0
SES Level III	0	0
SES Level I	1	5
Totals	76	253
Grand Total		329

Ground rules and assumptions

2020-DA-02838-F

Relocation costs

Used average relocation cost of \$50,000 for 60 days

Relocation Entitlement	Estimated Cost
Transportation of household goods (not to exceed 18,000 lbs).	\$12,000
Storage of household goods (60 days)	\$8,000
En route travel (employee and/or family)	\$1,500
Miscellaneous expenses	\$500
Temporary quarters (60 days)	\$6,500
Real estate expenses (purchase & sell)	\$20,000
Househunting expenses (lodging, meals & incidentals, transportation)	\$1,500
Total estimated cost	\$50,000

Ground rules and assumptions

2020-DA-02838-F

Real estate costs

- ▶ Annual lease amount: used square foot per year (sq ft/yr) price in EOI submission multiplied by required sq ft for the specific agency
- ▶ Operational expenses (OPEX) are \$7.50 per-square foot (psf) and recurring unless specified in the EOI
- ▶ Security charges are not included in the model
- ▶ If an estimated range was given in the EOI submission (e.g., \$16 - \$20 psf), then an average was calculated
- ▶ Building fit-out costs are from original location model until specific numbers are provided in EOI submission
- ▶ Fit out costs are assumed to be \$50 psf and Tenant Improvement (TI) are \$40 psf
- ▶ Fit out costs are directly offset by TI incentives and the psf rate is applied to all of the square feet being used by USDA (120,000 total sq ft)
- ▶ State/local packages, including relocation support, are not included in the model – pending analysis and confirmation of applicability
- ▶ Relocation support costs is calculated for 60 days

Ground rules and assumptions

2020-DA-02838-F

Real estate costs (continued)

- ▶ Used 3% annual rent increase and 2% annual OPEX increase unless otherwise specified in EOI application
- ▶ Temp site costs are treated as one-time costs and are assumed to be the same real estate costs as final site
 - ▶ Assumed staying for 2.5 months (15 Jul to 1 Oct)

Ground rules and assumptions

Transition timeline

2020-DA-02838-F

Ground rules and assumptions

2020-DA-02838-F

Other

(b)(5) DPP

From: Esch, Michele - ARS

Sent: Thursday, June 6, 2019 4:56 PM

To: Hutchins, Scott - OSEC, Washington, DC; Knupp, Courtney - OSEC, Washington, DC

Subject: FW: BENEFITS (PREDECISIONAL/DELIBERATIVE)

Happy to assist.

I am checking in with EY about cost estimate – I believe that Kristi spoke to them earlier in the week.

Also, wanted to let you know that I am available tomorrow (b)(6)) so working offsite.

Thanks,
Michele

Michele Esch

Special Projects Coordinator

Executive Director, NAREEE Advisory Board

U.S. Department of Agriculture

(o) 202.720.8408

(c) (b)(6)

michele.esch@ars.usda.gov

From: Hutchins, Scott - OSEC, Washington, DC

Sent: Thursday, June 6, 2019 4:31 PM

To: Angle, Scott - NIFA <scott.angle@usda.gov>; Leibtag, Ephraim - ERS <ephraim.leibtag@usda.gov>; Hartley, Chris - ERS <chris.hartley@usda.gov>

Cc: Knupp, Courtney - OSEC, Washington, DC <Courtney.Knupp@usda.gov>; Esch, Michele - ARS <Michele.Esch@ARS.USDA.GOV>

Subject: BENEFITS (PREDECISIONAL/DELIBERATIVE)

Importance: High

PRE-DECISIONAL/DELIBERATIVE

Folks ... we've talked around the need/format for the "benefits" part of cost/benefit and you all outlined good ideas individually and I know you are working with your leadership too. I know it's in progress or perhaps already done for your agency, but it's time to pull them together please ...

Can you get together, combine into a short story deck and then let's get with Michele/Courtney (maybe others) to pull a draft together, hopefully tomorrow? E&Y, I think (Michele), is focused on the cost side, but we're best positioned to make the benefits case.

Apologies if this is in play already and I missed it ...

Thanks, Scott

From: Knupp, Courtney - OSEC, Washington, DC

Sent: Monday, June 10, 2019 9:44 PM

To: Hutchins, Scott - OSEC, Washington, DC

CC: Boswell, Kristi - OSEC, Washington, DC; Kristi J. Boswell ((b)(6)); Tkacz, Kailee - OSEC, Washington, DC

Subject: FW: Benefits contribution to C/B analysis

Attachments: FOUO_NIFA_RelocationBenefitsDRAFT (003).pptx; FOUO_USDA Cost Benefit Assessment_vFramework.docx

Attachment 2 (4 pages) withheld as a duplicate of Bates Nos. pages 0126-0129.

Scott

See direction that we provided EY tonight regarding the C/B ratio. This needs a lot of work in a quick turnaround. Can you lead the charge here to ensure EY delivers and it's in a palatable deliverable?

Kristi, Kailee and I here to help but we know this is right up your alley. Let us know what you need.

We asked Francisco to change the call tomorrow from large group to small group so we can discuss.

Let me know what questions you have.

Courtney

From: Knupp, Courtney - OSEC, Washington, DC

Sent: Monday, June 10, 2019 7:37 PM

To: Francisco E Rodriguez <((b)(6))@ey.com>

Cc: Tkacz, Kailee - OSEC, Washington, DC <kailee.tkacz@usda.gov>; Boswell, Kristi - OSEC, Washington, DC <kristi.boswell@usda.gov>; Kristi J. Boswell ((b)(6)) <((b)(6))>; courtney.knupp@usda.gov

Subject: Benefits contribution to C/B analysis

Francisco –

Thanks for the C/B skeleton draft today. Following up on our conversations last week, we really need to enhance and demonstrate the benefits within this analysis beyond cost savings.

A couple resources:

- Attached are slides that represent the benefits beyond cost savings from NIFA (slides 1-2) and ERS and ERS/NIFA combined (slides 2-3), attached is also the ERS specific. Please weave this into the C/B analysis draft.
- We additionally need benefit and attributes (non-quantitative) specific to choosing the KC region – these can be baseline and/or in addition to the competitor cities. For example, partnerships with the U of Missouri, presence of the Fed, data center presence, proximity to land grant universities (how many in # of mile radius).

We need to reflect that from the beginning it's not just been about dollars and cents, it's about quality of research, etc.

We look forward to an updated draft by COB Tuesday as discussed.

Thanks!



Benefits to NIFA Relocation Summary

- **Increased direct interactions with stakeholders** because of closer proximity
- **Improved recruitment and retention of scientific and administrative staff** with lower cost of living and broad candidate pool
- **Enhanced strategic interagency partnerships** with new positions in DC focused on collaboration

Reinvestment of Cost Savings

- **Cost savings from program efficiency**, such as reduced travel costs for peer review panels, to be invested as additional funds towards grants
- **Cost savings from operational efficiency**, such as salary and lease savings, to be invested in enhancing customer experience
 - Increase data transparency and ease of use of reporting systems
 - Real-time data gateway with enhanced tools for analysis and frequently needed reports
 - User-friendly and simplified reporting systems
 - Modernize our grants systems and processes
 - Improved processes for efficient peer review and award management to meet a goal of reducing the time from the receipt of application to award with no more than 20% of agency funds carried over unobligated to the subsequent fiscal year

(b)(5) DPP

Benefits of Cost Saving in ERS and NIFA

- Capacity Building and Productivity
 - Each \$1MM equates to:
 - 6-8 FTEs of New Researchers
 - 10-20 New Co-operative agreements
 - (b)(5) DPP
 - (b)(5) DPP
- Agency Effectiveness and Capabilities
 - Two Location Model
 - Broader perspective of stakeholders
 - Dedicated NCR Component
 - Business Process Modernization
 - Grant Systems and Processes
 - Data Transparency and ease of use of reporting systems
 - Modeling capabilities
 - (b)(5) DPP
 - Recruitment & Engagement
 - Multiple Universities within driving Radius
 - Multiple “Hands on” Ag Training Opportunities

(Note: Approvals required for use of cost savings for additional research grants)

From: Knupp, Courtney - OSEC, Washington, DC
Sent: Monday, June 10, 2019 9:47 PM
To: Hutchins, Scott - OSEC, Washington, DC
Subject: FW: Benefits contribution to C/B analysis

From: Boswell, Kristi J. EOP/WHO <(b)(6)>
Sent: Monday, June 10, 2019 8:54 PM
To: Knupp, Courtney - OSEC, Washington, DC <Courtney.Knupp@usda.gov>; Francisco E Rodriguez <(b)(6)>@ey.com>
Cc: Tkacz, Kailee - OSEC, Washington, DC <kailee.tkacz@usda.gov>; Boswell, Kristi - OSEC, Washington, DC <kristi.boswell@usda.gov>
Subject: RE: Benefits contribution to C/B analysis

I would also add that you guys can really build off the pros/cons lists that were included in the presentation last week. Diversity rankings, public transportation opportunities, etc I think this can include all of those pros of the Kansas City area.

Kristi J. Boswell
 Policy Advisor
 Mobile: 202-881-7129 (no text)

From: Knupp, Courtney - OSEC, Washington, DC <Courtney.Knupp@usda.gov>
Sent: Monday, June 10, 2019 7:37 PM
To: Francisco E Rodriguez <(b)(6)>@ey.com>
Cc: Tkacz, Kailee - OSEC, Washington, DC <kailee.tkacz@usda.gov>; Boswell, Kristi - OSEC, Washington, DC <kristi.boswell@usda.gov>; Boswell, Kristi J. EOP/WHO <(b)(6)>; Knupp, Courtney - OSEC, Washington, DC <Courtney.Knupp@usda.gov>
Subject: Benefits contribution to C/B analysis

Francisco –

Thanks for the C/B skeleton draft today. Following up on our conversations last week, we really need to enhance and demonstrate the benefits within this analysis beyond cost savings.

A couple resources:

- Attached are slides that represent the benefits beyond cost savings from NIFA (slides 1-2) and ERS and ERS/NIFA combined (slides 2-3), attached is also the ERS specific . Please weave this into the C/B analysis draft.
- We additionally need benefit and attributes (non-quantitative) specific to choosing the KC region – these can be baseline and/or in addition to the competitor cities. For example, partnerships with the U of Missouri, presence of the Fed, data center presence, proximity to land grant universities (how many in # of mile radius).

We need to reflect that from the beginning it's not just been about dollars and cents, it's about quality of research, etc.

We look forward to an updated draft by COB Tuesday as discussed.

Thanks!

From: Boswell, Kristi J. EOP/WHO <(b)(6)>
Sent: Wednesday, June 12, 2019 11:44 AM
To: Bice, Don - OSEC, Washington, DC <Don.Bice@usda.gov>; Tkacz, Kailee - OSEC, Washington, DC <kailee.tkacz@usda.gov>; Young, Benjamin - OGC, Washington, DC <Benjamin.Young@usda.gov>
Cc: Boswell, Kristi - OSEC, Washington, DC <kristi.boswell@usda.gov>; Knupp, Courtney - OSEC, Washington, DC <Courtney.Knupp@usda.gov>; Preston, Warren - OCE <warren.preston@usda.gov>; Rich, Michawn - OC, Washington, DC <michawn.rich@usda.gov>; Rich, Michawn - OC, Washington, DC <michawn.rich@usda.gov>; Rodgers, Meghan - OC, Washington, DC <meghan.rodgers@usda.gov>; Hutchins, Scott - OSEC, Washington, DC <Scott.Hutchins@usda.gov>
Subject: RE: one neighborhood

USE THIS VERSION.

I have Warren working on the new Table 3 EY.

Courtney/Kailee – I will work on moving the assumptions to the top and other formatting.

Benny – do you recommend just pulling all charts into appendix for public purposes? Other items we need to we need modify for public consumption?

Kristi J. Boswell
 Policy Advisor
 Mobile: 202-881-7129 (no text)

From: Bice, Don - OSEC, Washington, DC <Don.Bice@usda.gov>
Sent: Wednesday, June 12, 2019 11:27 AM
To: Tkacz, Kailee - OSEC, Washington, DC <kailee.tkacz@usda.gov>; Young, Benjamin - OGC, Washington, DC <Benjamin.Young@usda.gov>
Cc: Boswell, Kristi - OSEC, Washington, DC <kristi.boswell@usda.gov>; Boswell, Kristi J. EOP/WHO <(b)(6)>; Knupp, Courtney - OSEC, Washington, DC <Courtney.Knupp@usda.gov>
Subject: RE: one neighborhood

I will.

From: Tkacz, Kailee - OSEC, Washington, DC
Sent: Wednesday, June 12, 2019 11:23 AM
To: Bice, Don - OSEC, Washington, DC <Don.Bice@usda.gov>; Young, Benjamin - OGC, Washington, DC <Benjamin.Young@usda.gov>
Cc: Boswell, Kristi - OSEC, Washington, DC <kristi.boswell@usda.gov>; Boswell, Kristi J. EOP/WHO <(b)(6)>; Knupp, Courtney - OSEC, Washington, DC <Courtney.Knupp@usda.gov>
Subject: one neighborhood
Importance: High

Don;

We need a blurb in cost benefit on one neighborhood , I know we aren't fully there yet but need to make mention.

Don can you draft something-

USDA started our "one neighborhood process XXX in an effort to minimize USDA leased space and make maximum use of our current facilities in the National Capital Region buildings in x, y, z.

While we are still in the process of determining those costs we expect at this point it to cost x in lease savings and X per employee to move.



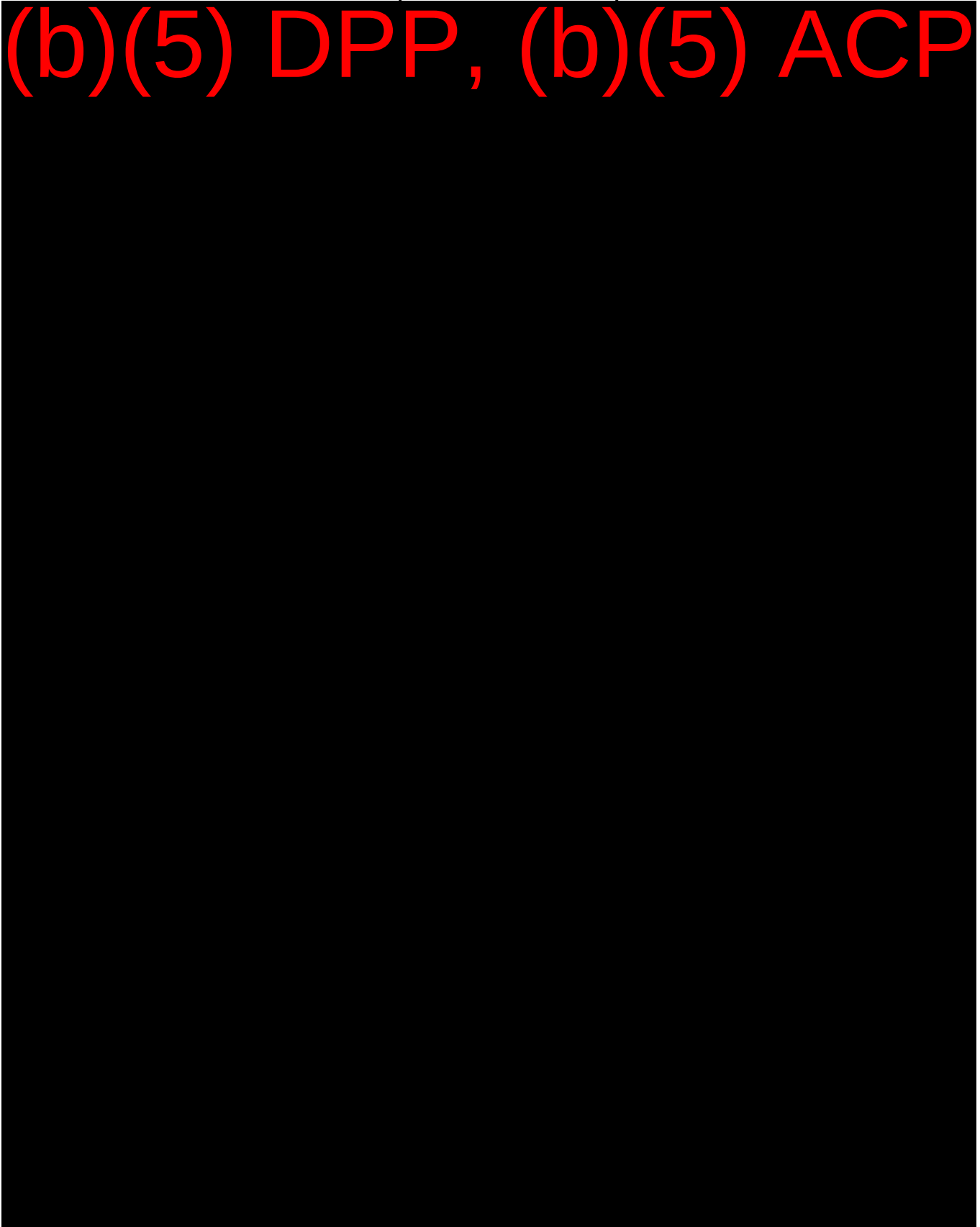
Kailee M. Tkacz

Chief of Staff to Deputy Secretary Stephen Censky
United States Department of Agriculture
Cell: 202.816.0562

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NIFA/ERS Incentives Summary

(b)(5) DPP, (b)(5) ACP



From: Boswell, Kristi - OSEC, Washington, DC

Sent: Thursday, June 13, 2019 8:47 AM

To: Barbic, Ken - OSEC, Washington, DC; Lee, Evan - OSEC, Washington, DC; Wilson, Erin E. - OSEC, Washington, DC; Wong, Veronica - OSEC, Washington, DC

Subject: Fwd: new numbers

Just putting all you on this.

Get [Outlook for iOS](#)

From: Boswell, Kristi - OSEC, Washington, DC

Sent: Thursday, June 13, 2019 8:46:57 AM

To: Wong, Veronica - OSEC, Washington, DC

Subject: Fwd: new numbers

Get [Outlook for iOS](#)

From: Johansson, Robert - OCE <robert.johansson@usda.gov>

Sent: Thursday, June 13, 2019 8:26 AM

To: Rich, Michawn - OC, Washington, DC

Cc: Tkacz, Kailee - OSEC, Washington, DC; Boswell, Kristi - OSEC, Washington, DC

Subject: RE: new numbers

THESE ARE GOOD.

\$300 million nominal savings over 15 years = ~\$20 mill per year. You don't need to say "nominal" so the para below is fine.

I haven't checked the \$26 million number. EY should confirm that.

From: Rich, Michawn - OC, Washington, DC <michawn.rich@usda.gov>

Sent: Thursday, June 13, 2019 8:17 AM

To: Johansson, Robert - OCE <robert.johansson@usda.gov>; Boswell, Kristi J. EOP/WHO

<(b)(6)>; Knupp, Courtney - OSEC, Washington, DC <Courtney.Knupp@usda.gov>; Tkacz, Kailee - OSEC, Washington, DC <kailee.tkacz@usda.gov>; Barbic, Ken - OSEC, Washington, DC <Ken.Barbic@usda.gov>; Rodgers, Meghan - OC, Washington, DC <meghan.rodgers@usda.gov>; Varsamis, Alec - OC 20174, Washington, DC <alec.varsamis@usda.gov>; Zanic, Savannah - OC, Washington, DC <Savannah.Zanic@usda.gov>; Cole, Donald - OC, Washington, DC <donald.cole@usda.gov>

Subject: new numbers

USDA-20-0424, 20-0426-E, 20-0427-E-000052

0735

USDA conducted a thorough Cost Benefit Analysis and conservative estimates show a savings of nearly \$300 million over a 15-year lease term on employment costs and rent or about \$20 million per year, which will allow more funding for research of critical needs like rural prosperity and agricultural competitiveness, and for programs and employees to be retained in the long run, even in the face of tightening budgets. On top of that, state and local governments offered generous relocation incentives packages totaling more than \$26 million. Finally, this relocation will give USDA the opportunity to attract a diverse staff with training and interest in agriculture. You may click [HERE](#) to view USDA's Cost Benefit Analysis.

From: Tkacz, Kailee - OSEC, Washington, DC
Sent: Thursday, June 13, 2019 10:02 AM
To: Young, Benjamin - OGC, Washington, DC; Adams, Kiki - RD, Washington, DC
Subject: FW: Follow-up from Yesterday's Briefing
Attachments: OFFICIAL Cost Benefit Final.pdf
Attachment is a duplicate of Bates Nos. 0002-0012 in request 2020-REE-03065-F.

For records

From: Wilson, Erin E. - OSEC, Washington, DC
Sent: Thursday, June 13, 2019 10:00 AM
To: Wilson, Erin E. - OSEC, Washington, DC <erin.wilson@usda.gov>
Subject: Follow-up from Yesterday's Briefing

Good morning,

As a follow-up to yesterday's briefing, we are providing a copy of the final cost benefit analysis, this is embargoed until our advisory goes public at 10am.

This final version contains additional cost information including the nominal data over a 15 year period. Please note a change to the Table 1. As we mentioned yesterday the document was in draft form and following additional review by our Chief Economist, we have updated and included a net present value number closer to \$200 million, with the nominal value being nearly \$300 million. The Office of Chief Economist reviewed EY data and feels more comfortable with a more conservative NPV number.

Thank you,

Erin Wilson
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US Department of Agriculture

Relocation of the Economic Research Service and National Institute of Food and Agriculture

Site Visits Summary Overview
Cost Analysis Overview

May 31, 2019

USDA-20-0424, 20-0426-E, 20-0427-E-000056

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EXECUTIVE SUMMARY



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Site Visit Objectives

- Perform detailed on-site due diligence for short-listed MSAs to assess ERS and NIFA's relocation
- Investigate knowledge gap areas through in-market meetings with various parties, including but not limited to: incentives and business support considerations, local community agricultural engagement, labor force and employment opportunities, community understanding (diversity, residential market etc.) local community services / infrastructure
- Refine business case data, through discussions with local parties, to develop a more detailed picture of risk vs. reward
- Gain a first-hand perspective of the "on the ground" business environment and associated implementation risks
- Determine a preferred site / MSA and a backup site / MSA for further due diligence and incentives negotiations, for both agencies

Meetings Held & Information Obtained

- **MSA and local community introduction and overviews** – community demographic and economic statistics, diversity, education, geographic overview, quality of life etc.
- **Economic incentives and business support** – business costs, tax environment and potential tax incentives and community support
- **Labor market and talent overviews**– labor market overview, market talent, programs & assistance, discussions with federal employees within market
- **Residential market overview** - residential community overview, housing and apartment options, schools (public/private/charter), special education, child/elder care, religious diversity
- **Commercial office market overviews and site tours** – Office market overview, commercial office hubs, site specific overviews and transportation options
- **Agricultural ecosystem** – Agricultural assets, collaboration & partnerships, research institutes
- **Building tours** – 5 sites in Research Triangle, NC; 4 sites in Indianapolis, IN; 1 site in Lafayette, IN; 6 sites in Kansas City, MO-KS

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Each of the three MSAs visited has the potential to support the NIFA and ERS HQ operations

Community observations:

- Each of the three MSAs would be able to support the agencies mission
- All of the MSAs would require a cultural shift from DC; Kansas City offers the best urban real estate alternatives for the price
- West Lafayette and the RTP triangle provide the best university campus alternatives with increased opportunities for agency collaboration
- Diversity of all types is more limited than in DC; University environment (Lafayette & Raleigh/Durham) and multi-national workforces in RTP and to some extent Kansas City offer a more diverse population within certain communities
- Indianapolis and West Lafayette are 1-2 hours drive time from closest Census research data center (in Champaign, IL). Other sites MSAs are in closer proximity.

Costs

- West Lafayette provides the lowest COLA adjustment at 15.9%, followed by Indianapolis and Kansas City at 16.6% and Raleigh/Durham at 19.9%
- Overall real estate costs are within the \$22 - \$30 gross psf range. West Lafayette and downtown Durham were at the higher end of the range with suburban Indianapolis and Kansas City at the lower end.
- Opportunities to reduce real estate costs through leasing of smaller footprint (ability to leverage outside conference space) or offset of lease costs from incentives depending on site and jurisdiction
- Median residential home real estate costs are similar ranging from \$185k to \$275k with West Lafayette/Indianapolis being at the lower end of the range and Raleigh/Durham at the higher end of the range.

Labor market

- While unemployment is low in each of the markets, the growing labor pool with in the Raleigh/Durham appears to result in a more competitive market for jobs.
- Each of the MSAs offered job finding support for trailing spouses; Indianapolis/West Lafayette seemed to provide a stronger/ more comprehensive response to the need that the other jurisdictions

Size & scale observations:

- The West Lafayette location is most limited in terms of population size and supporting elements (housing, job opportunities etc.); It is also approximately a hours drive from the Indianapolis airport; although there is the potential for direct air service into West Lafayette in the near future
- Indianapolis, Kansas City and the Raleigh/Durham (combined) MSAs are relatively similar in size of the labor pool

Implementation / timing observations:

- The site visit team toured 5 buildings in Research Triangle, NC; 4 buildings in Indianapolis, IN; 1 building in West Lafayette, IN; 6 buildings in Kansas City, MO-KS. At least 2 buildings were deemed viable options in both Research Triangle, NC and Kansas City. In Indiana, only the building in West Lafayette was deemed to meet the agencies' needs
- Kansas City is home to several government agencies and has a Federal Executive Board to support the agencies through the set-up process. There is also the potential to leverage vacant GSA space within the city if needed (would require IT connection)
- Each of the MSAs offered relocation support to the agencies; West Lafayette identified three temporary space alternatives (at no cost) that could be available as early as July 17, 2019
- Site specific landlord temporary space options were also identified / discussed during the site visits and could be considered



Comparative Analysis

Differentiating Factors*

KEY:

● Excellent

● Good

○ Satisfactory

○ Poor

*Most
Advantageous*

Factors	Research Triangle, NC	Indianapolis-Carmel-Anderson, IN	Lafayette-West Lafayette, IN	Kansas City, MO-KS
Access to DC	●	●	○	○
Proximity to Census Research Data Center	●	○	○	●
Proximity to Land Grant and R1 Universities	●	●	●	○
Proximity to Peer Federal Agencies	●	○	○	●
Urban Communities	●	○	○	●
Suburban / Campus Communities	●	○	●	●
Talent Retention	●	○	○	○
Talent Attraction	●	○	○	●
Incentives	●	○	●	●
Cost Savings	○	●	●	●
GSA Process Considerations	○	○	●	●

* This Comparative Analysis graphic is based on experiences and observations from the site visit team. Any differences noted between locations are relative to the other site visit locations only.

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Comparative Analysis

Key Dimensions – Summary*

KEY:

● Excellent

● Good

○ Satisfactory

○ Poor

*Most
Advantageous*

Dimension	Criteria	Research Triangle, NC	Indianapolis-Carmel-Anderson, IN	Lafayette-West Lafayette, IN	Kansas City, MO-KS
Agricultural / Business Support	Proximity to Customers	●	○	○	●
	Partnerships	●	○	○	○
	Relocation Services and Resources	○	○	●	●
Labor Market	Dual Career Considerations	●	○	○	●
	Hiring Needs	○	●	○	●
Residential Quality of Life	Diversity	●	○	●	○
	Transportation and Accessibility	○	○	○	●
	Education	●	●	●	○
Implementation	Timing	○	○	●	●

* This Comparative Analysis graphic is based on experiences and observations from the site visit team. Any differences noted between locations are relative to the other site visit locations only.

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Incentives Proposals

Summary Comparison

The full estimated value of each incentive proposal is shown here. Detailed analysis is in progress to understand applicability of the incentive packages to the USDA.

Location	Total Estimated Incentives Value	Estimated Value – State Incentives	Estimated Value – Local Incentives
Research Triangle, NC	(b)(5) DPP	(b)(5) DPP	(b)(5) DPP
Indianapolis-Carmel-Anderson, IN			
Lafayette-West Lafayette, IN			
Kansas City, MO			
Kansas City, KS			

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Initial Cost Model Results: Co-Located Agencies

Proposed sites provide range of savings when compared to Status Quo

NPV Summary ¹ (15 years)					
NIFA + ERS	Status Quo (NIFA + ERS)	West Lafayette (Average)	Kansas City (Average)	Research Triangle (Average)	Indianapolis (Average)
NIFA+ERS Staffing Costs ²	(b)(5) DPP				
NIFA+ERS Real Estate Costs					
Total Costs (NPV)					
Total Savings (NPV)					
% Savings					
Breakeven Year					

Note 1:

- The model applies a 5% discount rate to calculate net present value (NPV)

Note 2:

- The model currently assumes full employment for both agencies starting as of October 1, 2019.
- All 547 positions are assumed to be filled by relocating employees, who receive \$50,000 each as a relocation support package.
- No assumptions around move-related attrition (and associated costs). Such assumptions can be updated upon receipt of declared intentions from Stay-Go employees.
- The \$50,000 per employee relocation benefit provides a conservative estimate for transportation of household goods, storage, travel, temporary quarters, and other relocation related expenses.

Stabilized Year Summary (Year 3)					
NIFA+ERS	Status Quo (NIFA+ERS)	West Lafayette (Average)	Kansas City (Average)	Research Triangle (Average)	Indianapolis (Average)
NIFA+ERS Staffing Costs	(b)(5) DPP				
NIFA+ERS Real Estate Costs					
Total					
Total Savings					
% Savings					

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APPENDIX



Comparative Analysis

General Pros and Cons

Location	Pros	Cons
Research Triangle, NC	• Highest density of options for collaboration and spousal employment with research, agricultural, and private organizations • Closest proximity to National Capital Region • University presence – three (3) R1 research universities in the MSA	• Highest cost of living adjustment (increased from 19.52% to 19.99% from 2018-2019) • Employee relocation services may not be as robust and personalized • Limited downtown CBD real estate options; suburban / rural office parks more common • Competitive market (employment and residential options)
Indianapolis-Carmel-Anderson, IN	• Prominently demonstrated community diversity and inclusiveness • ERS and NIFA would be “bigger fish in a smaller pond” compared to other MSAs • Moderately priced urban alternatives	• No Census data research center in MSA (closest is 1.5 hours away in Champaign, IL) • Limited downtown CBD real estate options • Most limited public transportation system; enhancements planned for bus routes only
Lafayette-West Lafayette, IN	• Unique opportunity for co-location and collaboration with Purdue University and Purdue Research Foundation • Campus setting lends itself more readily to alternative commuting options (biking, walking, scooters) • Strong local incentive package, including no-rent temporary space	• Market size may limit employment opportunities • Relatively limited local residential real estate market may push employees to live closer to Indianapolis • Closest commercial airport (IND) is 1+ hour drive away • No Census data research center in MSA (closest is 1.5 hours away in Champaign, IL)
Kansas City, MO-KS	• Opportunity for synergies with existing critical mass of Federal agencies in the MSA • Strong state and local incentive package • Most developed public transportation (downtown streetcar, dense bus system, bike lanes, scooters, etc.) • Ability to leverage GSA temporary space	• Limited research university presence within 1 hour drive time of MSA • Furthest from National Capital Region; limited and aging airport infrastructure (planned investment) • Time zone difference (1-hour) compared to DC and other sites



Comparative Analysis

Key Dimensions – Agricultural / Business Support

Criteria	Research Triangle, NC	Indianapolis-Lafayette, IN	Kansas City, MO-KS
Proximity to Customers	- Ranked 8th top agricultural producing state based on cash receipts by ERS in 2017 - State net farm income (1,000s dollars) in 2017 per ERS was 3,193,369	- Ranked 10th top agricultural producing state based on cash receipts by ERS in 2017 - State net farm income (1,000s dollars) in 2017 per ERS was 1,569,107	- Ranked 7th (Kansas) and 12th (Missouri) top agricultural producing state based on cash receipts by ERS in 2017 - Net farm income (1,000s dollars) in 2017 per ERS was 1,118,654 (KS) and 1,752,067 (MO)
Partnerships	- Strong opportunities for collaboration with Duke, NC, and NC State University programs and partnerships - Numerous leading edge life sciences / ag. tech-oriented companies, startups, incubators, and research institutes	- Central Indiana Corporate Partnership (CICP) offers ag.-focused initiatives (AgriNovus Indiana, BioCrossroads, Ascend) <i>Unique opportunity for partnerships with Purdue University (co-location, research, event space, adjunct faculty, etc.)</i>	- Potential for increased collaboration with significant existing Federal agency presence (including USDA's FSA and RMA) - Coordinated ag. industry activity through the KC Animal Health Corridor, Ag. Business Council of KC, BioNexus KC, and others
Relocation Services and Resources	- Subsidized real-estate focused employee relocation services through Coldwell Banker: Howard, Perry, and Walston - Dual career support coordinated through "Work in the Triangle" organization	- Subsidized employee relocation concierge services offered through The International Center, T.MAP, EmployIndy, and partners - Dual career support coordinated through Indiana Department of Workforce Development and PRF	- Subsidized real-estate / community focused employee relocation concierge services through Group O'Dell - Dual career support coordinated through KC Area EDC's Life + Talent division

Comparative Analysis

Key Dimensions – Labor Market

Criteria	Research Triangle, NC	Indianapolis-Lafayette, IN	Kansas City, MO-KS
Dual Career Considerations	- Coordinated regional talent attraction services through Work in the Triangle, partnered with numerous ag. / bio-focused workforce development organizations - Services and resources include an online job portal, weekly online career fairs, wage and employment data provisioning, networking / industry association events, and entrepreneur support - Potentially most competitive labor market out of shortlist	- Coordinated regional talent attraction services through the Indiana Department of Workforce Development - Services and resources include the Indiana Career Connect portal to post and find jobs and the Workforce Innovation Network for customized workforce skills trainings Purdue Research Foundation offered <i>personalized employment support for trailing spouses, including localized job search, interview preparation, and more in Lafayette</i> <i>Smaller size of labor market in Lafayette may pose challenges for spousal / partner employment</i>	- Coordinated regional talent attraction services through Team KC: Life + Talent, partnered with various generic staffing firms - Services include the KC Career Network (KCCN), a resume sharing site for trailing spouses and partners who are committed to relocating in KC. Resumes sent to KCCN will be directly shared with the Greater Kansas City Federal Executive Board and TeamKC's network of more than 1,000 recruiters and HR professionals
Hiring Needs	- Potential to leverage Work in the Triangle for agencies' own needs - Highest concentration of PhDs out of any region in the country - Potentially most competitive labor market out of shortlist	Potential to leverage Indiana Department of Workforce Development, <i>Purdue Research Foundation and University</i>, and Central Indiana Corporate Partnership resources for agencies' own staffing needs	- Existing federal presence may offer recruitment pipeline for both agencies (e.g., economists working at Federal Reserve) - Potential to leverage Team KC: Life + Talent's services for the agencies' own staffing needs, including the KCCN to solicit and screen resumes

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Comparative Analysis

Key Dimensions – Residential Quality of Life

Criteria	Research Triangle, NC	Indianapolis-Lafayette, IN	Kansas City, MO-KS
Diversity	- Ranked 39 of 100 by Brookings Institute Metro Monitor Inclusive Growth index (2015-2016) 59% non-Hispanic White, 22% Black, 5% Asian, 11% Hispanic	- Ranked 3 of 100 by Brookings Institute Metro Monitor Inclusive Growth index (2015-2016) 72% non-Hispanic White, 15% Black, 3% Asian, 7% Hispanic	- Ranked 70 of 100 by Brookings Institute Metro Monitor Inclusive Growth index (2015-2016) 73% non-Hispanic White, 12% Black, 3% Asian, 9% Hispanic
Transportation and Accessibility	- Per US Census Bureau (Table S0801, 2017 data), mean commute time was 26.5 mins. 88.0% of commuters drove. Only 2.0% biked, walked, or took public transport. - Interconnected bus service provided by GoTriangle, GoDurham, GoRaleigh, GoCary, Chapel Hill Transit, NCSU Wolfline, and Duke Transit. - Ranked 81 of 182 by WalletHub's 2018 Best Cities for People with Disabilities (Raleigh, NC)	- Per US Census Bureau (Table S0801, 2017 data), mean commute time was 24.9 mins (19.0 mins in Lafayette). 90.9% of commuters drove (85.1% in Lafayette). 2.7% biked, walked, or took public transport (10.2% in Lafayette, including 6% walking alone). 33 Indianapolis bus lines provide limited connectivity to suburbs - Ranked 46 of 182 by WalletHub's 2018 Best Cities for People with Disabilities (Indianapolis, IN)	- Per US Census Bureau (Table S0801, 2017 data), mean commute time was 23.2 mins. 91.5% of commuters drove. 2.3% biked, walked, or took public transport. - Bus system spans 89 routes over 7 counties. No-cost streetcar connects 2.1 miles of downtown - Ranked 16 of 182 by WalletHub's 2018 Best Cities for People with Disabilities (Kansas City, MO; suburb Overland Park, KS is ranked #1)
Education	- Per US News, ranked 28th state for K-12 education (17th in college readiness) - Chapel Hill-Carrboro City Schools is ranked 239th (out of 10,758) nationwide by Niche's 2019 Ranking	- Per US News, ranked 6th state for K-12 education (11th in college readiness) <i>West Lafayette Community School Corporation is ranked 3rd best nationwide by Niche's 2019 Ranking</i>	- Per US News, ranked 15th (Kansas) and 21st (Missouri) states for K-12 education (36th and 35th in college readiness, respectively) - Blue Valley Unified School District is ranked 1st (Missouri) nationwide by Niche's 2019 Ranking



Incentives Proposals

Research Triangle, NC

Program Name	Jurisdiction	Incentive Type	Recipient	Estimated Value	Comments on program mechanics, level of commitment, etc.
Lease reduction support	State	Grant	Landlord	(b)(5) DPP	
Employee Relocation Support	Local	In-kind workforce relocation assistance	USDA		
Property Tax Back Grant	Local	Refund of real property taxes	Undetermined		
Temp Space - Rental subsidy	Local	Temporary space - rental subsidy	USDA		
TOTAL				(b)(5) DPP	



Incentives Proposals

Indianapolis-Carmel-Anderson, IN

Program Name	Jurisdiction	Incentive Type	Recipient	Estimated Value	Comments on program mechanics, level of commitment, etc.
Economic Development Fund	State	Grant	USDA	(b)(5) DPP	
Industrial Development Infrastructure Fund	State	Infrastructure assistance	Locality		
Talent and Workforce Services	State	In-kind workforce recruiting assistance	USDA		
Workforce Relocation grant	State	Grant	USDA		
Real property tax abatement	Local	Real property tax abatement	USDA		
Personal property tax exemption	Local	Personal property tax exemption	USDA		
Workforce training	Local	In-kind workforce training assistance	USDA		
Tax Increment financing (TIF)	Local	Infrastructure assistance	Locality/Landlord		
TOTAL				(b)(5) DPP	0017

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Incentives Proposals

Lafayette-West Lafayette, IN

Program Name	Jurisdiction	Incentive Type	Recipient	Estimated Value	Comments on program mechanics, level of commitment, etc.
Economic Development Fund	State	Grant	USDA	(b)(5) DPP	
Industrial Development Infrastructure Fund	State	Infrastructure assistance	Locality		
Talent and Workforce Services	State	In-kind workforce recruiting assistance	USDA		
Workforce Relocation grant	State	Grant	USDA		
Real property tax abatement	Local	Real property tax abatement	USDA		
Personal property tax exemption	Local	Personal property tax exemption	USDA		
Workforce training	Local	In-kind workforce training assistance	USDA		
Temporary space	Local	Temporary space - free rent	Other		
TOTAL				(b)(5) DPP	USDA-20-0424, 20-0426-E, 20-0427-E-000072 0018



Incentives Proposals

Kansas City, MO

Program Name	Jurisdiction	Incentive Type	Recipient	Estimated Value	Comments on program mechanics, level of commitment, etc.
State Withholding Tax Redirection	State	PIT withholding tax redirection	Landlord	(b)(5) DPP	
Kansas City Earnings Tax Redirection	Local	KC earnings tax redirection	USDA/Landlord		
Employee Relocation Assistance Program	Local	Grant	USDA		
KCP&L Evergy Economic Development Rebate	Local	Grant	Landlord		
KCP&L Evergy Economic Development Rider	Local	Energy rate reduction	USDA		
TOTAL				(b)(5) DPP	20-0424, 20-0426-E, 20-0427-E-000073 0019



Incentives Proposals

Kansas City, KS

Program Name	Jurisdiction	Incentive Type	Recipient	Estimated Value	Comments on program mechanics, level of commitment, etc.
Promoting Employment Across Kansas (PEAK)	State	PIT withholding tax refund or retention	USDA	(b)(5) DPP	
Job Creation Fund (JCF)	State	Grant	USDA		
Workforce Development Assistance	State	In-kind workforce recruiting assistance	USDA		
Sales Tax Exemption	State	Sales tax exemption	Landlord		
KCP&L Evergy Economic Development Rider	Local	Energy rate reduction	USDA		
TOTAL				(b)(5) DPP	20-0424, 20-0426-E, 20-0427-E-000074 0020

Cost Model Ground Rules and Assumptions

Personnel – Staffing

- Number of employees in each GS category is location-independent
- Used average NIFA and ERS government civilian salaries to calculate costs for employees transitioning based on FY2019 OPM government salaries
 - ERS: <https://www.obpa.usda.gov/16ers2020notes.pdf>,
 - NIFA: <https://www.obpa.usda.gov/19nifa2020notes.pdf>
- Benefits are equal to 31% of average NIFA and ERS government civilian salaries
- COLA adjustments to salary are applied AFTER benefit calculation
- Used 2% inflation rate for government civilian salaries per fiscal year



Cost Model Ground Rules and Assumptions

Personnel – TDY personnel “ground landing”

Item	Assumption
Number of personnel	20
TDY time	60 days
Bi-weekly flights home	32 flights – four flights * eight weeks
Per diem – hotel, M&IE	Used 2019 GSA per diem rates from https://www.federalpay.org/perdiem/2019
POV mileage	Added to cover travel from airport to residence – 4 trips * 8 weeks = 32 flights
Car rental	Added \$50 per day while on TDY status



Cost Model Ground Rules and Assumptions

Personnel – Stay-Go list and Transition

Stay-Go list per Agency

Agency	Number of employees STAYING	Number of employees RELOCATING	Total number of employees
NIFA	21	294	315
ERS	76	253	329
Total	97	547	644

Transition

Agency	1 Aug 19	1 Sept 19	1 Oct 19
NIFA	50	+100	+144
ERS	50	+100	+103
Total per month	100	+200	+247
Grand total	100	300	547



Cost Model Ground Rules and Assumptions

Relocation costs - \$50,000 per employees

Relocation Entitlement	Estimated Cost
Transportation of household goods (not to exceed 18,000 lbs).	\$12,000
Storage of household goods (60 days)	\$8,000
En route travel (employee and/or family)	\$1,500
Miscellaneous expenses	\$500
Temporary quarters (60 days)	\$6,500
Real estate expenses (purchase & sell)	\$20,000
House hunting expenses (lodging, meals & incidentals, transportation)	\$1,500
Total estimated cost	\$50,000



Cost Model Ground Rules and Assumptions

Real estate costs

Costs	Assumption
Base rent costs	Average market costs for the specific location (see next slide)
Annual lease amount	Used square footage per year (sq ft/yr) price in EOI submission multiplied by required square footage (120,000 SF for both agencies combined)
Operational expenses (OPEX)	\$7.50 per square feet (psf) - Recurring unless specified in EOI
Security charges	Not included in model
Fit-out costs - New location	\$50 psf
Fit-out costs - Temp space	\$20 psf
Tenant improvement (TI)	\$40 psf
State/local incentive packages	Not included in the model – pending analysis and confirmation of applicability
Temp space requirement	2.5 months (15 July – 1 Oct)
Rent increase	3% per GSA guidance
OPEX increase	2% per GSA guidance

Cost Model Ground Rules and Assumptions

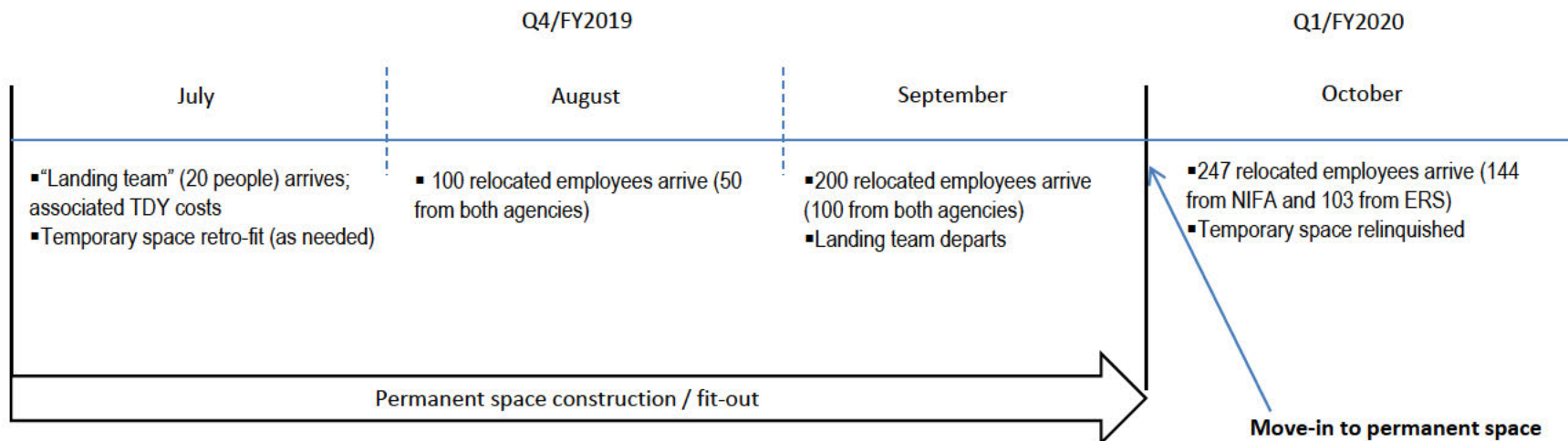
Real estate costs (cont'd)

Site Name	Square footage to use (NIFA Model Inputs)	Square footage to use (ERS Model Inputs)	Base Lease Rate (sqft/year)	Est. OPEX cost (Sqft/year)	Annual % Increase (Rent)	Annual % Increase (OPEX)	Fit-Out costs	TI \$/sqft (Incentive)
Status Quo (NIFA)	107,614	NA	\$38.15	\$7.50	3%	2%	\$0.00	\$0.00
Status Quo (ERS)	NA	94,620	\$41.98	\$7.50	3%	2%	\$0.00	\$0.00
West Lafayette (Average)	65,920	54,080	(b)(5) DPP	\$7.50	3%	2%	\$50.00	\$40.00
Kansas City (Average)	65,920	54,080		\$7.50	3%	2%	\$50.00	\$40.00
Research Triangle (Average)	65,920	54,080		\$7.50	3%	2%	\$50.00	\$40.00
Indianapolis (Average)	65,920	54,080		\$7.50	3%	2%	\$50.00	\$40.00

- Square footage in relocated locations assumes agencies are combined in one site (120,000 SF)

Cost Model Ground Rules and Assumptions

Transition timeline



Building Tour Summary

Research Triangle, North Carolina

Location	Key Figures	Rating	Pros	Cons
555 Mangum Durham, NC	145,110 SF \$35-37 psf		- Downtown location; more urban feel - Fantastic views and location - New construction; LEED Silver - Proximate/walk to amenities	- Most expensive space seen - Under construction (Delivery Q1 2020) - Parking extra
Parmer 14 RTP, NC	175,000 SF \$15.50 NNN		- Numerous free amenities offered to tenants - Potential to leverage landlord's nearby buildings for temporary space needs - Available for fit-out	- Will need to provide transportation support - Remote suburban site - Amenities not on site
Lenovo I Morrisville, NC	183,032 SF \$27-28 psf		- Can leverage existing furniture & fixtures - More than one Go Triangle bus stop within office park	- Suburban site - Limited on-site dining options - Does not offer enhanced look-and-feel
Crabtree Terrace Raleigh, NC	105,000 SF \$35-\$36 psf		- Proximity to food outlets & retail & hotels - New construction - More urban local with easier public transportation	- Not enough space house both agencies - Under construction (Delivery Nov 2020) - Site will continue to have significant construction - Expensive location
11000 Weston Cary, NC	127,600 SF \$28-\$34 psf		- Proximate to hotel, transit line, airport - On Crabtree Lake with walking path - Ability to occupy one floor during fit-out of the other - Conference facility for ~100 on-site - Secured spaces available	- More expensive than Parmer 14 RTP site - Suburban site

Building Tour Summary

Indianapolis-Lafayette, Indiana

Location	Key Figures	Rating	Pros	Cons
120 Monument Cir. Indianapolis, IN	231,609 SF ~\$25.00 psf		- Central location within Indianapolis - Close to amenities and hotels - Some on-site amenities and outdoor space	- Very prominent location within the city - Formerly single tenant building, difficult to convert to multi-tenant - Parking would be additional - Significant common area / atrium type space
Keystone Bldg., 220 North Meridian, Indianapolis, IN	131,110 SF \$24.50 psf		- Central location within Indianapolis - Close to amenities and hotels - Will have new lobby and retail - Events take place year round @ Monument Circle	- Space is dark with low ceilings - Under renovation (Q3 completion) - Parking additional - Multi-tenant with shared 11th floor & residential units on top floor
Lids Building, 10555 Lids Way, Zionsville, IN	132,788 SF \$24.50 psf		- Significant amenity space on site - Proximate to hotels - Ability to leverage exiting furnishings	- Current fit-out not well aligned for agencies - Single tenant building / difficult to sublet - No public transit - Remote suburban location
Convergence Center at Discovery Park District West Lafayette, IN	122,975 SF \$30.25 psf		- Proximity to Purdue & campus amenities/ transportation / facilities for conferences - Ability to design space to meet agencies needs - LEED Silver; Part of Discover Park District	- High real estate costs psf - Core & shell completion Q4 2019 - Significant construction will continue @ Discovery Park over next several years
Gateway Building, 10300 Kincaid Dr. Fishers, IN	193,500 SF \$22.50 psf		- Leverageable "temp space" during build-out - Ability to influence amenities build-out - Flexible space alternatives within building	- Suburban location - No public transit - Would require drive /walk to most amenities

Building Tour Summary

Kansas City, Missouri-Kansas

Location	Key Figures	Rating	Pros	Cons
Thrive Building, Kansas City, MO	131,000 SF \$22.00 psf		• Large GSA landlord • Link bridge to Crown Center • Potential to leverage exiting furniture/space temporarily	• No amenities on site • Building doesn't own parking • Smaller floor plates
Crown Center, Kansas City, MO	250,000 SF \$19.50 psf		• Crown Center complex with 2 hotels and many amenities • Center city location with public transit nearby	• Dated space will require significant retro-fit, potentially delaying timeline • Low ceilings and unorthodox floor plan
Lightwell /City Center Square, Kansas City, MO	200,000 SF \$25.00 psf		• Center city location • Proximity & on site amenities • Public transit	• Under renovation (lobby, food count) • Several tenants & 1st floor retail make cause security challenges • Most expensive location
State Street Building, Kansas City, MO	202,827 SF \$22.50 psf		• Urban location • Multiple public transit options • Significant conference space	• More limited amenities • No on-site dining options (existing cafeteria to be replaced with fitness center)
Renner Ridge Corp. Center, Lenexa, KS	119,083 SF ~\$24.95 psf		• Nice finishes & ability to leverage current build-out • Growing business area	• Suburban park / no public transit • Limited amenities on site • Single tenant building • More expensive than alternative sites
Sprint Campus Overland Park, KS	300,000 SF ~\$19.50 psf		• Large campus with numerous amenities • Campus transit & proximity to lodging • Moderate price • Furniture available	• Suburban park / not aligned with GSA guidelines • Limited public transportation • Older facility

KEY:

● Excellent

● Good

● Satisfactory

● Poor

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OVERVIEW

- In August, USDA announced that most of the approximately 600 ERS and NIFA employees would be relocated outside of the National Capital Region.
- Over the course of the past 9 months, USDA, with the help of Ernst & Young, has objectively evaluated 136 expressions of interest from parties in 35 states, based upon criteria and mission operational needs provided by employees and management, and conducted site visits across 4 states determined to be finalists.
- Today we are announcing that the Kansas City Region will be the new home for ERS and NIFA.
- All site visit locations offered great opportunities and are capable of hosting these Agencies; however, we believe Kansas City will best allow us to maximize our mission function, utilize an already strong presence of USDA and Federal Government networks and services, while providing a high quality of life for our employees.
- We appreciate the support and interests from across the country and look forward to our new partnership with the Kansas City Region.
- As promised, taxpayers will realize significant savings – approaching \$300 Million over the length of the initial lease, which will allow funding to be refocused from overhead to direct research capabilities, including additional capacity to support Agency missions and the ability for stronger employee retention in the long run, even in the face of tightening budgets.
- Kansas City Region provides our employees and new hires a thriving environment with opportunity for dual income families, excellent healthcare and educational systems, and all the benefits of thriving urban, suburban, and rural communities.

FINANCIAL

- Taxpayers will realize significant savings with this move– conservative estimates show this will save (b)(5) DPP. These savings will allow funding to be refocused from overhead to research and provides the ability for more employees to be retained in the long run, even in the face of tightening budgets. We will start to realize savings from the move by FY 2021.
- In addition to these savings, all 4 states offered incentive packages ranging from (b)(5) DPP, though we still continue to work with GSA and our legal teams determine which incentives can be used by the federal government.
- We believe these agency locations is another step toward making USDA the most efficient, effective, customer focused federal agency in the government.
- Opportunity for synergies with existing critical mass of Federal agencies in the MSA
- Strong state and local incentive package

KS CITY EMPLOYMENT

- USDA has chosen the Kansas City Region its new home; the vast federal infrastructure and footprint in the Kansas City metro area in both KS and MO will greatly and uniquely benefit NIFA/ERS employees.
- Kansas and Missouri are home to more than 49,000 permanent Federal employees, including more than 36,000 non-Defense employees and over 4,300 USDA employees.
- KS and MO together employ about 560 economists and college teachers of economics, approximately 190 of whom work in the Kansas City metro area alone.
- About 1,400 employees work at the office of Kansas City Fed in Kansas City in economic research, banking supervision and regulation, and payments processing, as well as supporting

areas, including information technology, financial management, public affairs and administrative services.

KS CITY EMPLOYEE BENEFITS

Of all four site selections, Kansas City offers the best urban real estate alternatives for the price

Transportation

- Most developed public transportation (downtown streetcar, dense bus system, bike lanes, scooters, etc.)
 - Per US Census Bureau (Table S0801, 2017 data), mean commute time was 23.2 mins. 91.5% of commuters drove. 2.3% biked, walked, or took public transport.
 - Bus system spans 89 routes over 7 counties. No-cost streetcar connects 2.1 miles of downtown
 - Ranked 16 of 182 by WalletHub's 2018 Best Cities for People with Disabilities (Kansas City, MO; suburb Overland Park, KS is ranked #1)

Proximity to Customers

- Ranked 7th (Kansas) and 12th (Missouri) top agricultural producing state based on cash receipts by ERS in 2017
- Net farm income (1,000s dollars) in 2017 per ERS was 1,118,654 (KS) and 1,752,067 (MO)

Partnerships

- Potential for increased collaboration with significant existing Federal agency presence (including USDA's FSA and RMA)
- Coordinated ag. industry activity through the KC Animal Health Corridor, Ag. Business Council of KC, BioNexus KC, and others

Relocation Services

- Subsidized real-estate / community focused employee relocation concierge services through Group O'Dell
- Dual career support coordinated through KC Area EDC's Life + Talent division

Dual Career Consideration

- Coordinated regional talent attraction services through Team KC: Life + Talent, partnered with various generic staffing firms
- Services include the KC Career Network (KCCN), a resume sharing site for trailing spouses and partners who are committed to relocating in KC. Resumes sent to KCCN will be directly shared with the Greater Kansas City Federal Executive Board and TeamKC's network of more than 1,000 recruiters and HR professionals

Hiring Needs

- Existing federal presence may offer recruitment pipeline for both agencies (e.g., economists working at Federal Reserve)
- Potential to leverage Team KC: Life + Talent's services for the agencies' own staffing needs, including the KCCN to solicit and screen resumes

Diversity

- Ranked 70 of 100 by Brookings Institute Metro Monitor Inclusive Growth index (2015-2016)
- 73% non-Hispanic White, 12% Black, 3% Asian, 9% Hispanic

Education

- Per US News, ranked 15th (Kansas) and 21st (Missouri) states for K-12 education (36th and 35th in college readiness, respectively)
- Blue Valley Unified School District is ranked 50th best nationwide (Niche)

Entertainment

Various entertainment and culturally enhancing venues from museums to festivals to arts, the theater and sporting events, KS City Region includes all genres at all levels of cost

IMPORTANT FACTORS FOR EMPLOYEES

- Thriving housing market, access to health care, multiple forms of transport, recreation, entertainment, variety of faith based and religious orgs
- Within local commuting distance of a Federal Statistical Data Research Center.
- A city with other major economic, research and public policy-making institutes. These institutes are important for collaboration possibilities; for providing a pipeline of talent from which to draw potential new employees, and for providing employment opportunities for spouses and families.

Cost Analysis

Table 1 - USDA Cost Analysis Summary: Net Present Value (NPV) – 15 Years

Categories	Status Quo	Kansas City	Alternate Location 1	Alternate Location 2	Alternate Location 3
Total staffing costs	(b)(5) DPP	(b)(5) DPP	(b)(5) DPP	(b)(5) DPP	(b)(5) DPP
Total real estate costs	(b)(5) DPP	(b)(5) DPP	(b)(5) DPP	(b)(5) DPP	(b)(5) DPP
Total cost (NPV)	(b)(5) DPP	(b)(5) DPP	(b)(5) DPP	(b)(5) DPP	(b)(5) DPP
Total savings (NPV)		(b)(5) DPP	(b)(5) DPP	(b)(5) DPP	(b)(5) DPP
% savings		(b)(5) DPP	(b)(5) DPP	(b)(5) DPP	(b)(5) DPP

- Applied a 5% discount rate to calculate net present value (NPV)
- Assumed full employment for both agencies starting on 1 October 2019
- Staffing costs for the status quo and locations were calculated using average NIFA and ERS FY2019 government salaries in accordance with FY2019 Office of Personnel Management (OPM) government salaries
- Real estate costs were calculated using the square footage per year price in the EOI submission multiplied by the required squared footage of 120,000 for both agencies
- Status-quo captured lease costs from the current locations for NIFA and ERS – Waterfront Centre, Washington D.C. and Patriots Plaza III, Washington D.C. respectively
- Includes annual salaries increase (2%); rent increase (3% per GSA guidance); and operational expenses (OPEX) increase (2% per GSA guidance)

Table 2 - USDA Cost Analysis Summary*

		FY2019 Transition	FY2020	FY2021		FY2034
<i>Status Quo Washington D.C.</i>	Total staffing costs	\$ 32,241,637	\$ 131,545,879	\$ 134,176,797		\$ 173,571,994
	Total real estate costs	\$ 2,048,364	\$ 10,501,482	\$ 10,794,711		\$ 15,463,156
	Total cost	\$ 34,290,001	\$ 142,047,361	\$ 144,971,508		\$ 189,035,150
	<i>Cumulative costs</i>	<i>\$34,290,001</i>	<i>\$ 176,337,362</i>	<i>\$ 321,308,870</i>		<i>\$ 2,501,635,910</i>
<i>Kansas City</i>	Total staffing costs	\$ 58,977,247	\$ 120,592,208	\$ 123,004,052		\$ 159,118,857
	Total real estate costs	\$4,478,538	\$ 2,923,185	\$ 2,999,690		\$ 4,205,481
	Total cost	\$ 63,455,785	\$ 123,515,393	\$ 126,003,742		\$ 163,324,338
	<i>Cumulative costs</i>	<i>\$ 63,455,785</i>	<i>\$ 186,971,178</i>	<i>\$ 312,974,920</i>		<i>\$ 2,201,814,277</i>
<i>Savings</i>	Annual savings	(\$ 29,165,784)	\$ 18,531,968	\$18,967,766		\$ 25,710,812
	<i>Cumulative savings</i>	<i>(\$ 29,165,784)</i>	<i>(\$ 10,633,816)</i>	<i>\$ 8,333,950</i>		<i>\$ 299,821,633</i>

*includes inflation rate increases

- Assumed full employment for both agencies starting on 1 October 2019
- Staffing costs for the status quo and locations were calculated using average NIFA and ERS FY2019 government salaries in accordance with FY2019 Office of Personnel Management (OPM) government salaries
- Real estate costs were calculated using the square footage per year price in the EOI submission multiplied by the required squared footage of 120,000 for both agencies
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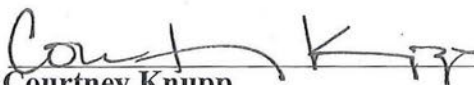
ERS Civil Rights Program
Civil Rights Impact Analysis
Clearance Sheet



Scott Hutchins, PhD
Deputy Under Secretary, REE*

Date May 8, 2019





Courtney Knupp
Chief of Staff, REE

Date 5/8/19



* In accordance with Departmental Regulation 4300-004, Civil Impact Analysis (CRIA), Section 13b, the certification must be signed by the Agency's current Civil Rights Director. However, this CRIA would directly impact all ERS employees, inclusive of the Civil Rights Director. Accordingly, this CRIA will be signed by Dr. Scott Hutchins, Deputy Under Secretary, REE.

**ERS Civil Rights Program
Civil Rights Impact Analysis:
ERS AGENCY RELOCATION**

Certification Sheet

Proposed Action: USDA is proposing to relocate most Economic Research Service (ERS) agency operations outside of the National Capital Region to help gain efficiencies and increase customer and stakeholder partnerships. This will help ensure USDA is the most efficient, most effective, most customer-focused Department in the Federal government. Secretary Perdue has evaluated current operations across the Department and believes we can offer more flexibility to our current and future workforce, while also delivering maximum value to our direct stakeholders and more broadly to U.S. taxpayers, in identifying a new location outside of the National Capital Region. We believe we can improve our ability to attract key talent to certain agricultural and economic research positions in ERS by decreasing the cost of living and commute lengths, which are exceptionally high in the National Capital Region. Additionally, ERS has a higher attrition rate than USDA department wide. Specifically, we believe that this decision will serve three primary objectives: One, place these important USDA resources closer to stakeholders who live and work outside the D.C. area. Second, benefit the American taxpayers through savings on employment and facility costs in the face of tightening budgets. Third, improve our ability to attract and retain highly qualified staff with training and interests in agriculture, many of whom come from our land-grant universities.

I certify I have received and analyzed the appropriate documentation and determined that:

- ☒ **No major civil rights impact is likely to result** if the proposed action is implemented. The action will not adversely affect any minorities, women, individuals over the age of 40, or persons with disabilities. See the attached supporting CRIA documentation.
- ☐ **Major civil rights impact, as described below, is likely to result** if the proposed action is implemented. See the attached CRIA documentation.



Scott Hutchins, PhD
Deputy Under Secretary, REE



Date



NIFA Civil Rights Program
Civil Rights Impact Analysis
Clearance Sheet
NIFA RELOCATION


Scott Hutchins, PhD
Deputy Under Secretary, REE*


Date May 8, 2019


Courtney Knupp
Chief of Staff, REE


Date 5/8/19

* In accordance with Departmental Regulation 4300-004, Civil Impact Analysis (CIA), Section 13b, the certification must be signed by the Agency's current Civil Rights Director. However, this CIA would directly impact all NIFA employees, inclusive of the Civil Rights Director. Accordingly, this CIA will be signed by Dr. Scott Hutchins, Deputy Under Secretary, REE.

**NIFA Civil Rights Program
Civil Rights Impact Analysis:
NIFA AGENCY RELOCATION**

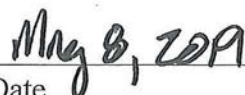
Certification Sheet

Proposed Action: USDA is proposing to relocate most National Institute of Food and Agriculture (NIFA) agency operations outside of the National Capital Region (NCR) to help gain efficiencies and increase customer and stakeholder partnerships. This will help ensure USDA is the most efficient, most effective, most customer-focused Department in the Federal government. Secretary Perdue has evaluated current operations across the Department and believes we can offer more flexibility to our current and future workforce, while also delivering maximum value to our direct stakeholders and more broadly to U.S. taxpayers, in identifying a new location outside of the NCR. We believe we can improve our ability to attract key talent to certain agricultural and economic research positions in NIFA by decreasing the cost of living and commute lengths, which are exceptionally high in the National Capital Region. Additionally, NIFA has a higher attrition rate than USDA department wide. Specifically, we believe that this decision will serve three primary objectives: One, place these important USDA resources closer to stakeholders who live and work outside the D.C. area. Second, benefit the American taxpayers through savings on employment and facility costs in the face of tightening budgets. Third, improve our ability to attract and retain highly qualified staff with training and interests in agriculture, many of whom come from our land-grant universities.

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 Scott Hutchins, PhD
 Deputy Under Secretary, REE


 Date

