

SALE OR EXCHANGE OF NOAA PROPERTY IN NORFOLK,
VIRGINIA

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AUGUST 1, 2008.—Ordered to be printed
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Mr. RAHALL, from the Committee on Natural Resources,
submitted the following

R E P O R T

[To accompany H.R. 5350]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 5350) to authorize the Secretary of Commerce to sell or exchange certain National Oceanic and Atmospheric Administration property located in Norfolk, Virginia, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SALE OR EXCHANGE OF NOAA PROPERTY IN NORFOLK, VIRGINIA.

(a) **IN GENERAL.**—The Secretary of Commerce may sell or exchange to the City of Norfolk, Virginia, in accordance with chapter 13 of title 40, United States Code, real property under the administrative jurisdiction of the National Oceanic and Atmospheric Administration (in this section referred to as “NOAA”), including land and improvements thereon, located at 538 Front Street, Norfolk, Virginia, consisting of approximately 3.78 acres, if the Secretary—

(1) determines that the conveyance is in the best interests of NOAA and the Federal Government; and

(2) has provided prior notification to the Committee on Natural Resources and the Committee on Appropriations of the House of Representatives and the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate.

(b) **CONSIDERATION.**—

(1) **IN GENERAL.**—For any conveyance under this section the Secretary shall require provision to the United States of consideration having a value that is not less than the fair market value of the property conveyed by the United States.

(2) **FORM.**—Consideration under this subsection may include any combination of—

(A) cash or cash equivalents;

- (B) other property (either real or personal); and
- (C) consideration in-kind, including—
 - (i) provision of space, goods, or services of benefit to NOAA including construction, repair, remodeling, or other physical improvements of NOAA property;
 - (ii) maintenance of NOAA property; or
 - (iii) provision of office, storage, or other usable space.
- (3) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine fair market value for purposes of paragraph (1) based upon an appraisal of the property conveyed under subsection (a) conducted in conformance with the Uniform Appraisal Standards for Federal Land Acquisitions.
- (c) USE OF PROCEEDS.—Amounts received under subsection (b)(2)(A) by the United States as proceeds of any conveyance under this section shall be available to the Secretary, subject to appropriation, for—
 - (1) activities related to the operations of, or capital improvements, to NOAA property; or
 - (2) relocation and other costs associated with the sale or exchange.
- (d) TERMINATION.—Authority granted to the Secretary under subsections (a) and (b) shall terminate at the end of the 24-month period beginning on the date of enactment of this Act.

PURPOSE OF THE BILL

The purpose of H.R. 5350 is to authorize the Secretary of Commerce to sell or exchange certain National Oceanic and Atmospheric Administration (NOAA) property located in Norfolk, Virginia.

BACKGROUND AND NEED FOR LEGISLATION

The City of Norfolk, Virginia has experienced recent significant economic growth. Downtown Norfolk has reemerged as the urban center of the Hampton Roads region through a comprehensive revitalization strategy which has spurred new commercial and residential development. In the late 1990s, Norfolk officials recognized the strategic location of the Fort Norfolk District and re-zoned the district for “waterfront mixed-use.” In 2001, at the City’s request, the Urban Land Institute (ULI) conducted a intensive assessment of the Fort Norfolk District, and in 2002 ULI developed and provided for the City a comprehensive re-development plan for the approximately 50-acre District. The District holds significant value as the City’s last major downtown waterfront development opportunity, and redevelopment is already underway.

The National Oceanic and Atmospheric Administration (NOAA), which locates both its Marine Operations Center—Atlantic (MOC–A) and its Chesapeake Bay Office in the city, has been an important federal partner in downtown Norfolk for many years. In 2002, NOAA was contacted by the Fort Norfolk Joint Venture with an unsolicited proposal asking NOAA to enter into a joint public-private partnership to exchange an under-utilized federal property under the control of NOAA in the Fort Norfolk District considered a vital link in fulfilling the comprehensive redevelopment strategy, for a long-term lease at another city site. The property of interest was a 3.78 acre parcel located at 538 Front Street near the Elizabeth River, with a single 7,000 square foot office building, surrounding parking, and lot storage area. The building on the property serves as offices and work space for NOAA’s National Geodetic Survey (NGS) Norfolk Field Operations office. Other portions of the property, outside the main building, provide field areas for instrument calibration, field testing and training, and storage for vessels, marine equipment, and trailers. NOAA’s MOC–A uses portions of

the property to store some equipment. NOAA rejected this initial proposal citing a lack of explicit authority and unfavorable financial implications for the agency.

Two years later in 2004, the city itself contacted then-Secretary of Commerce Donald Evans to discuss draft legislation to authorize a conveyance or exchange of the Front Street property. The draft language of that legislative proposal, while similar to language contained in H.R. 5350, was also rejected by NOAA, principally because the terms of the conveyance were inflexible, the short- and long-term costs were disadvantageous to NOAA, and the city failed to identify appropriate alternate site options to relocate NOAA program functions and activities. Since that time, NOAA and the city have maintained amicable discussions to develop a framework for agreement for a future sale, conveyance or exchange of properties. H.R. 5350 would authorize such an agreement to be implemented should it be reached.

COMMITTEE ACTION

H.R. 5350 was introduced by Rep. Robert C. “Bobby” Scott (D-VA) on February 12, 2008. The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Fisheries, Wildlife and Oceans. On April 24, 2008, the Subcommittee held a hearing on the bill. A representative testifying on behalf of NOAA for the Administration and a representative testifying on behalf of the City of Norfolk each spoke in support of the legislation.

On June 4, 2008, the Subcommittee on Fisheries, Wildlife and Oceans met to mark up the bill. Chairwoman Madeleine Z. Bordallo (D-GU) offered an amendment in the nature of a substitute. This amendment made NOAA’s use of any proceeds subject to future appropriations; expanded the list of committees to notice of any transaction to include the Committee on Appropriations in both the U.S. House of Representatives and the United States Senate; required that any appraisals of value comply with applicable federal standards; and inserted a two-year self-executing sunset of authority granted to the Secretary under the legislation. The amendment was adopted by voice vote. The bill was then forwarded, as amended, to the Full Committee by voice vote. On July 16, 2008, the Full Natural Resources Committee met to consider the bill. A committee print reflecting the amendments adopted by the Subcommittee was ordered favorably reported to the House of Representatives by unanimous consent.

SECTION-BY-SECTION ANALYSIS

Section 1. Sale or exchange of NOAA property in Norfolk, Virginia

Subsection (a) would authorize the Secretary of Commerce to sell or exchange to the City of Norfolk a 3.78 acre parcel of property under the administrative jurisdiction of the National Oceanic and Atmospheric Administration, including land and improvements thereon, located at 538 Front Street in the City of Norfolk. The Secretary would be required to determine that any conveyance is in the best interests of NOAA and the federal government, and to provide prior notice to the Committees on Natural Resources and Appropriations in the House of Representatives, and the Commit-

tees on Commerce, Science, and Transportation and Appropriations of the United States Senate.

Subsection (b) would require any sale or exchange to be for no less than fair market value of the property conveyed by the United States, and that the form of consideration could be in the form of cash or cash equivalents, other properties, in-kind considerations, or any combination thereof. All determinations of fair market value are to be conducted in conformance with the Uniform Appraisal Standards for Federal Land Acquisitions.

Subsection (c) would make the Secretary's use of any proceeds from such a transaction subject to appropriations and restrict the use of proceeds to activities related to the operations of, or capital improvements to, NOAA property or for relocation and other costs associated with the sale or exchange.

Subsection (d) would terminate the authority granted to the Secretary under subsections (a) and (b) at the end of the 24-month period beginning on the date of enactment of the legislation.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article IV, section 3 of the Constitution of the United States grants Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to authorize the Secretary of Commerce to sell or exchange certain National Oceanic and Atmospheric Administration (NOAA) property located in Norfolk, Virginia.

4. Congressional Budget Office Cost Estimate. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

H.R. 5350—A bill to authorize the Secretary of Commerce to sell or exchange certain National Oceanic and Atmospheric Administration property located in Norfolk, Virginia, and for other purposes

H.R. 5350 would authorize the Secretary of Commerce to exchange or sell to the city of Norfolk, Virginia, approximately 4 acres of land. Under the bill, CBO expects that the Secretary would negotiate a sale of the land, which is valued at \$1.5 million.

Based on information from the agency, CBO expects that the administrative cost of the sale would be insignificant. The legislation stipulates that proceeds of the sale, estimated to total \$1.5 million, would be available to the Secretary only if provided in a future appropriation act. Thus, enacting the legislation, would reduce direct spending by that amount. Enacting the bill would not affect revenues.

H.R. 5350 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. The bill would benefit the city of Norfolk, Virginia, by authorizing the sale or conveyance of federal land to the city. Any costs the local government might incur would result from complying with conditions of aid.

The CBO staff contact for this estimate is Tyler Kruzich. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

EARMARK STATEMENT

H.R. 5350 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e) or 9(f) of rule XXI.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.