



DOJ will occupy one building vacant since 2013 and another that will start construction this year.



existing Two Constitution Square location.

“DOJ was already familiar with StonebridgeCarras as both owner and developer,” says LeBlanc. “There was a high level of confidence in the ability of StonebridgeCarras to get Three and Four Constitution Square ready for occupancy on schedule and on budget. The continued consolidation of DOJ at Constitution Square gives them a rare urban campus.”

The properties also offered build-to-suit opportunities. Three Constitution Square has sat empty since it opened in 2013 and Four Constitution Square will start construction during the third quarter of 2016. (One Constitution Square at the corner of First and N streets is occupied by the Consumer Finance Protection Bureau.)

Constitution Square’s well-placed location was another attraction. The development is situated next to a Metro station, retail amenities, apartments and DOJ’s Bureau of Alcohol, Tobacco, Firearms and Explosives headquarters. Still, the competition for the procurement was stiff, LeBlanc says, with major players such as Forest City, Trammell Crow and The JBG Cos. vying for the GSA lease.

A generous package of concessions and incentives helped to seal the deal in October 2015. The face rate was kept below the GSA prospectus threshold of \$50 per rentable square foot and the final proposal included a year of free rent. StonebridgeCarras provided a tenant improvement and security allowance and a \$65 million incentive to fund DOJ’s moving costs, new equipment and other projects.

DOJ is slated to occupy 348,844 square feet in Three Constitution Square in late 2016. The agency will move into 490,156 square feet within Four Constitution Square after the construction of the building is completed in late 2018. The two structures will be connected on floors 1-6 to unify the offices.

At full buildout, Constitution Square will comprise 1.8 million square feet in four office buildings, plus 643 apartments in the Flats 130, a Hilton Garden Inn and almost 100,000 square feet of retail.

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Department of Justice

BY DEBORAH K. DIETSCH

Government agencies used to have the luxury of custom-designed headquarters, but no more. Over the past few years, they have been required by the federal government’s landlord, the General Services Administration, to shrink their footprints and consolidate operations within eco-friendly, spec-built offices.

“The shift in policy is driving the government to more efficient and economical spaces, and more sustainable buildings help to keep costs in check,” says Darian LeBlanc, vice chair of Cushman & Wakefield.

Last year, LeBlanc helped convince the GSA to sign its largest lease for office space in the District since 2002. The Department of Justice will become the primary tenant at Constitution Square, a 2.7 million-square-foot mixed-use project developed by Bethesda-based Stone-



DOJ

Description: Government agency lease

Project name: Three and Four Constitution Square

Addresses: 150 and 175 N St. NE, Washington

Tenant: Department of Justice

Tenant rep: CBRE

Developer and landlord: StonebridgeCarras

Landlord rep: Cushman & Wakefield

Square footage: 839,000

bridgeCarras in the District’s NoMa neighborhood.

Cushman & Wakefield’s government services group represented StonebridgeCarras and Walton Street Capital in the deal, worth about \$510 million over the term of the 15-year lease. The GSA was represented by CBRE Group Inc.

Prior to this decision, Justice was spread among several buildings in downtown DC. In 2008, a portion of the agency was the first tenant to pre-lease space in Two Constitution Square, a 12-story, LEED Platinum-certified building designed by HOK Architects.

Five years later, the GSA submitted a lease prospectus to Congress, seeking approval to consolidate four DOJ locations and reduce the size of those offices from about 1 million square feet to 839,000 square feet. StonebridgeCarras answered the call by proposing space in Three and Four Constitution Square next to DOJ’s