



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 20, 2005

S. 501

National Women's History Museum Act of 2005

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on April 13, 2005*

S. 501 would require the Administrator of the General Services Administration (GSA) to reach an agreement with the National Women's History Museum (NWHM) to lease space in the building and grounds known as the "Pavilion Annex" located next to the Old Post Office in Washington, D.C. CBO estimates that implementing this legislation could affect direct spending, but any impact is likely to be insignificant over the next 10 years.

S. 501 would require GSA and the NWHM to reach an agreement on the use of this building within 240 days of enactment. If an agreement is not completed within the time frame, GSA would have to report to the Congress on the unresolved issues. The legislation would require that the museum pay fair market value over the lease term of up to 99 years, but the bill would allow the museum to use the facility rent free for the first five years of the agreement, and any expenses incurred by the museum for renovations and modifications to the facility could be credited against the rental payment.

GSA currently receives no rental payments for the site; it has been vacant for ten years. GSA would like to redevelop the entire Old Post Office area as a whole or in sections, but does not expect to find a private party to lease the site in the next few years. GSA anticipates that the facility could generate at least \$2 million in annual rental receipts if a lessee could be found. Under the National Historic Preservation Act, however, any receipts from outleasing historic buildings may be spent to preserve historic properties in GSA's inventory. If a lease of the Pavilion Annex qualified for such treatment under that act, there would be no net budgetary impact of leasing the facility to the NWHM or any other lessee.

Under the bill, there would be no rental payments from the National Women's History Museum over the 2006-2010 period, and subsequent lease payments are not likely to be significant for a few years after deductions for renovation costs. Thus, CBO estimates that renting the annex to the National Women's History Museum would not have a significant impact on the federal budget over the 2006-2015 period.

S. 501 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.