

**PROSPECTUS – LEASE  
DEPARTMENT OF VETERANS AFFAIRS  
1800 G STREET, NW  
WASHINGTON, DC**

Prospectus Number: PDC-08-WA13

**Executive Summary**

The General Services Administration (GSA) proposes a lease extension of up to 170,868 rentable square feet (RSF) of space for Department of Veterans Affairs (VA), Veterans Benefits Administration (VBA) and Office of Information Technology (OIT) currently located at 1800 G Street NW, Washington, DC. Currently, VA has two leases expiring on April 30, 2014, and GSA is seeking a five-year lease extension to meet VA's space needs until their planned move to the federally owned Lafayette Building, currently undergoing modernization.

**Description**

Occupants:	VA (VBA and OIT)
Lease Type:	Lease Extension
Current Rentable Square Feet:	170,868 RSF (Current RSF/USF = 1.2)
Proposed Maximum RSF:	170,868 RSF (Market RSF/USF = 1.2)
Expansion Space:	None
Current Usable Square Feet/Person:	135
Proposed Usable Square Feet/Person:	135
Proposed Maximum Leasing Authority:	5 years
Expiration Date of Current Leases:	April 30, 2014
Delineated Area:	1800 G Street, NW, Washington, DC
Number of Official Parking Spaces:	1
Scoring:	Operating lease
Maximum Proposed Rental Rate <sup>1</sup> :	\$50.00
Proposed Total Annual Cost <sup>2</sup> :	\$8,543,400
Current Total Annual Cost:	\$6,233,879 (leases effective May 1, 1994)

**Background**

VA operates the nation's largest integrated health care system with more than 1,400 sites of care, including hospitals, community clinics, community living centers, domiciliary, readjustment counseling centers, and various other facilities. In addition, VA provides a variety of benefits

<sup>1</sup> This estimate is for fiscal year 2014 to and may be escalated by 1.7 percent annually to the effective date of the lease to account for inflation.

<sup>2</sup> Any new lease may contain an annual escalation clause to provide for increases or decreases in real estate taxes and operating costs.

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including education and training, life insurance, dependent and survivor benefits, vocational rehabilitation, and burial services.

**Justification**

VA has asked to extend its current leasehold tenancy at 1800 G Street NW for five years to be positioned to move to the Lafayette Building for its longer term space requirements. The multi-phase Lafayette modernization is currently underway. VA still has a need for space to complete its mission; however, GSA and VA currently plan to consolidate all VA leases currently at 1800 G Street NW into Lafayette as part of the housing strategy for the building's renovation project.

The maximum proposed rental rate in this prospectus is a projected rate for lease transactions with a future effective (rent start) date consistent with the expiration of the current leases on April 30, 2014. GSA will conduct the procurement using prevailing market rental rates as a benchmark for the evaluation of competitive offers and as a basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government. Lease award shall not exceed the maximum rental rate as specified in this prospectus.

**Resolutions of Approval**

Resolutions adopted by the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works approving this prospectus will constitute approval to make appropriations to lease space in a facility that will yield the required rentable area.

**Interim Leasing**

GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the new lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

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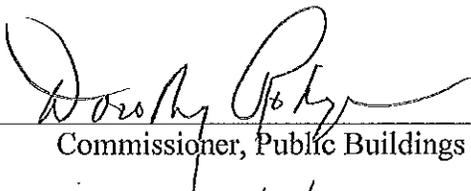
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**Certification of Need**

The proposed project is the best solution to meet a validated Government need.

Submitted at Washington, DC, on November 21, 2012

Recommended:



Commissioner, Public Buildings Service

Approved:



Acting Administrator, General Services Administration