Executive Summary

The General Services Administration (GSA) proposes a lease of approximately 151,000 rentable square feet (RSF) for the Department of Veterans Affairs (VA), Financial Services Center (FSC) and Office of Internal Controls (OIC), currently located at 7600 Metropolis Drive in Austin, Texas. VA has occupied space in the building since July 2009 under two leases that expire on May 23, 2022. VA will also locate new hires for its Debt Management Center (DMC) in the proposed lease.

The lease will provide continued housing for VA and will improve the office and overall space utilization rate from 101 to 71 and 129 to 105 usable square feet (USF) per person, respectively.

Description

Occupant: VA FSC, VA OIC, and VA DMC
Current RSF: 150,300 (Current RSF/USF = 1.15)
Estimated/Proposed Maximum RSF: 151,000 (Proposed RSF/USF = 1.15)
Expansion/Reduction RSF: 700 (Expansion)
Current USF/Person: 129
Estimated/Proposed USF/Person: 105
Expiration Dates of Current Lease(s): 5/23/2022 (both expirations)
Proposed Maximum Leasing Authority: 15 years
Delineated Area:
North: Montopolis Dr. north to TX-71;
East: TX-71 East to E. Riverside Dr., E. Riverside Dr. south to Metro Center Dr.,
continue south on Metlink Dr.; South:
Metropolis Dr. south to Burleson Rd.;
Burleson Rd. to Montopolis Dr.; West:
Burleson Rd. to Montopolis Dr.
Number of Official Parking Spaces: 802
Scoring: Operating
Current Total Annual Cost: $5,784,273 (leases effective 5/24/2002 and 7/1/2009)
Estimated Rental Rate$:
$44.00 / RSF

1 This estimate is for fiscal year 2022 and may be escalated by 2 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced including all operating expenses, whether paid by the lessor or directly by the Government. GSA will conduct the procurement using prevailing market rental rates as a benchmark for the evaluation of competitive offers and as the basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government.
PROSPECTUS – LEASE
DEPARTMENT OF VETERANS AFFAIRS
AUSTIN, TX

Prospectus Number: PTX-01-AU20
Congressional District: 35

Estimated Total Annual Cost: $6,644,000

Background

The mission of FSC is to offer financial services on a fee-for-service basis and provide support to VA’s financial operations by processing nationwide payments and claims. FSC currently occupies 130,694 USF of office and related space under two leases at 7600 Metropolis Drive in Austin, TX.

VA has also moved OIC to 7600 Metropolis Drive. OIC’s mission is to perform assessments of VA’s internal controls over financial reporting and remediation activities.

Additionally, due to the similar nature of DMC’s work, along with the operational efficiencies and synergies that come with being co-located with FSC and OIC, VA plans to establish a DMC presence in Austin. DMC is responsible for the accounts receivable services and is experiencing growth in both workload and employees. DMC will remain at its current location in St. Paul, MN, but will locate new hires at the proposed leased location.

VA has a continuing need for space in the Austin market to fulfill its mission. The proposed lease will meet the agency’s space needs and allow for co-location between work units to improve performance.

Justification

VA is committed to consolidating administrative and support functions to obtain improved performance and efficiencies where practicable. The proposed lease will satisfy VA’s space needs and consolidation goals. The current leases at 7600 Metropolis Drive expire on May 23, 2022. VA requires continued housing to carry out its mission.

Summary of Energy Compliance

GSA will incorporate energy efficiency requirements into the Request for Lease Proposals and other documents related to the procurement of space based on the approved prospectus. GSA encourages offerors to exceed minimum requirements set forth in the procurement and to achieve an Energy Star performance rating of 75 or higher.

2 New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.
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.

Certification of Need

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

Submitted at Washington, DC, on October 25, 2019

Recommended: Commissioner, Public Buildings Service

Approved: Administrator, General Services Administration