## PROSPECTUS-LEASE DEPARTMENT OF VETERANS AFFAIRS VETERANS BENEFITS ADMINISTRATION SAN DIEGO, CA

Prospectus Number: PCA-01-SD20 Congressional District: CA52 & CA53

### **Executive Summary**

The General Services Administration (GSA) proposes a lease of approximately 164,000 rentable square feet (RSF) for the Department of Veterans Affairs, Veterans Benefits Administration (VBA), currently located at 8808, 8810, 8880, and 8898 Rio San Diego Drive and 5715 Kearny Villa Road in San Diego, California. VBA has occupied space in the buildings since 2008 under leases that expire on September 30, 2023.

The lease will provide continued housing for VBA and will improve the office space utilization from 110 to 80 usable square feet (USF) per person while maintaining the overall space utilization at 175 USF per person.

## **Description**

Occupant: Veterans Benefits Administration
Current RSF: 152,369 (Current RSF/USF = 1.12)

Estimated/Proposed Maximum RSF<sup>1</sup>: 164,000 (Proposed RSF/USF = 1.20)

Expansion/Reduction RSF: 11,631 Expansion

Current USF/Person: 175
Estimated/Proposed USF/Person: 175

Expiration Dates of Current Lease(s): 09/30/2023 (all leases coterminous)

Proposed Maximum Leasing Authority: 20 years

Delineated Area: North: Highway 52; South: I-8; East: I-15;

West: I-5
Number of Official Parking Spaces: 100

Scoring: Operating

Current Total Annual Cost: \$5,738,583 (leases effective 10/1/13,

4/15/16, 10/8/08, 9/24/08, 7/1/17)

Estimated Rental Rate<sup>2</sup>: \$43.00 / RSF Estimated Total Annual Cost<sup>3</sup>: \$7,052,000

<sup>1</sup> The overall RSF/USF at the current locations is approximately 1.12; however, to maximize competition a RSF/USF ratio of 1.20 is used for the estimated proposed maximum RSF as indicated in the housing plan.

<sup>&</sup>lt;sup>2</sup> This estimate is for fiscal year 2024 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.

<sup>&</sup>lt;sup>3</sup> New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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### Background

VBA's mission is to provide benefits and services to veterans and their families and survivors in a responsive, timely, and compassionate manner in recognition of their service to the Nation.

### Justification

VBA's San Diego Veterans Affairs Regional Office (VARO) administers a wide array of benefits to our Nation's veterans in San Diego, Riverside, Imperial, and Orange Counties, as well as assisting with claims nationally. San Diego VARO currently houses the Mission Valley Veterans Health Administration Outpatient Clinic, the Office of Information and Technology Area Manager and End User Operation Center, Regional Counsel, as well as out-based locations for Education Service, Office of Performance Analysis and Integrity, and 10 Veterans Service Organizations. In addition, veterans can access San Diego VARO services at 13 out-based locations spread throughout Southern California.

The current leases expire on September 30, 2023. VBA 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.

### 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.

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## **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

Recommended:

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

Submitted at Washington, DC, on September 9, 2019.

Emilale Muse	
Administrator, General Services Administration	
	Emily W. Murphy Administrator, General Services Administration

Commissioner, Public Buildings Service