AMENDED PROSPECTUS – LEASE
U.S. DEPARTMENT OF VETERANS AFFAIRS
TRI-CITIES, WA

Prospectus Number: PWA-28-VA25
Congressional Districts: 4

Executive Summary

The General Services Administration (GSA) proposes to amend prospectus PWA-29-VA23 for an outpatient clinic lease of approximately 98,635 net usable square feet (NUSF) for the U.S. Department of Veterans Affairs (VA) in the vicinity of Tri-Cities, WA. The Senate Committee on Environmental and Public Works and the House Committee on Transportation and Infrastructure approved the original prospectus on July 26, 2023, and July 27, 2023, respectively. This amended prospectus seeks authority to increase the rental rate as, the previously approved rental rate proved to be insufficient for medical space in the current market.

The lease will be delegated to VA, provide continued services for the Tri-Cities veteran community, and provide the necessary expansion services to meet current and projected service delivery gaps for healthcare in the local market.

Description

Occupant:	Veterans Affairs
Current NUSF	9,804
Estimated Maximum NUSF:	98,635
Expansion/Reduction NUSF:	88,831 (expansion)
Estimated Maximum Rentable Square Feet:	133,157
Expiration Dates of Current Lease(s):	4/30/2028
Proposed Maximum Leasing Authority:	20 years
Delineated Area:	North: E on I-182, E on HW-240 East: S on US-395 South: W on I-82 West: N on I-82
Parking Spaces:	700
Scoring:	Operating Lease
Current Total Annual Cost[1]:	$387,850 (lease effective 5/1/2008)
Current Total Unserviced Annual Cost:	$312,850
Estimated Unserviced Rental Rate[2]:	$72.27 per NUSF
Estimated Total Unserviced Annual Cost[3]:	$7,129,000

[1] Existing lease cost information has been updated to reflect current terms which changed over time.
[2] This estimate is for fiscal year 2028 and may be escalated by 2.2 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is unserviced (taxes, insurance, management, and maintenance and repair reserves included); however, the lease contract may include operating expenses paid by the lessor.
[3] New leases may contain an escalation clause to provide for annual changes in real estate taxes.

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Justification

A new 98,635 NUSF lease in Tri-Cities will replace the existing Richland Outpatient Clinic and allow for expanded capacity of the Walla Walla VA Medical Center.

The current space in these facilities is insufficient to meet the projected needs of the veteran community. Space limitations and an increase in workload limit Veterans' access to services in a timely manner.

The new facility will enhance VA outpatient services by closing space and utilization gaps identified in VA's Strategic Capital Investment Planning process. The new lease will allow VA to provide comprehensive primary care, mental health, and specialty care services to the veteran population in the Tri-Cities area in a rightsized and state-of-the-art healthcare facility.

Summary of Energy Compliance

The Government 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. The Government encourages offerors to exceed minimum requirements set forth in the procurement and to achieve an Energy Star performance rating of 75 or higher[4].

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 net usable area.

Interim Leasing

The Government will execute such interim leasing actions as are necessary to ensure continued housing 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.

[4] Per the legal authority in 42 U.S.C. § 17091 based on the originating legislation EISA 2007 § 435, with only certain exceptions, federal agencies are not to enter into a contract to lease space in a building that has not earned the ENERGY STAR label in the most recent year.

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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 3/28/2025

Recommended: _____
Commissioner, Public Buildings Service

Approved: _____
Administrator, General Services Administration