

**PROSPECTUS – LEASE
U.S. DEPARTMENT OF VETERANS AFFAIRS
SAN DIEGO, CA**

Prospectus Number: PCA-01-VA17
Congressional District: 53

Executive Summary

The General Services Administration (GSA) proposes a consolidated outpatient clinic lease of approximately 99,986 net usable square feet (NUSF) for the U.S. Department of Veterans Affairs (VA), merging the two existing separate outpatient facilities in San Diego, California.

The lease will provide continued services for the San Diego veteran community and provide the necessary expansion services to meet current and projected health care service delivery gaps in the market.

Description

Occupant:	Veterans Affairs
Current NUSF	53,473
Estimated Maximum NUSF:	99,986
Expansion/Reduction NUSF:	46,513 (expansion)
Estimated Maximum RSF:	134,981
Expiration Dates of Current Lease(s):	12/31/2022, 9/20/2022
Proposed Maximum Leasing Authority:	Up to 20 years
Delineated Area:	<u>North:</u> Navajo Rd (starting at Hwy. 125 and extending east to Lake Murray Blvd), then Lake Murray Blvd (extending south to Beaver Lake Dr), then Beaver Lake Dr (extending west to Cowles Mtn Blvd), then Cowles Mtn Blvd (extending south to Lake Adlon Dr), then Lake Adlon Dr (extending west to Coral Lake Ave), then Coral Lake Ave (extending south to Lake Andrita Ave), then Lake Andrita Ave (extending west to Twin Lake Dr), then Twin Lake Dr (extending south to Jackson Dr), then Jackson Dr (extending west to Golfcrest Dr), then Golfcrest Dr (extending north to Tuxedo Rd), then Tuxedo Rd (extending east to Volclay Dr), then Volclay Dr (extending north to Santar Ave), then Santar Ave (extending northeast to Jennite Dr), then Jennite Dr (extending north to Ruane St), then Ruane St (extending west to Golfcrest Dr), then Golfcrest Dr (extending north to Mission Gorge Rd), then Mission

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Gorge Rd (extending west to Jackson Dr), then Jackson Dr (extending south to Doreen Rd), then Doreen Rd (extending south to Hillandale Dr), then Hillandale Dr (extending south to Deep Valley Rd), then Deep Valley Rd (extending west to Deerfield St), then Deerfield St (extending north to Mission Gorge Rd), then Mission Gorge Rd (extending west to Friars Rd), then Friars Rd (extending west to I-15), then I-15 (extending north to Aero Dr), and then Aero Dr (extending west to Hwy. 163)

South: I-8 (starting at Hwy 163 and extending east to I-805); then I-805 (extending south to El Cajon Blvd), then El Cajon Blvd (extending east to Hwy 125)

East: Hwy 125 (starting at I-8 / El Cajon Blvd and extending north to Navajo Rd)

West: Hwy 163 (starting at I-805 and extending south to I-8).

Parking Spaces:	675
Scoring:	Operating Lease
Current Total Annual Cost:	\$1,956,614 (Leases Effective: 10/1/2013, 10/1/2012)
Current Total Unserviced Annual Cost:	\$1,050,744
Estimated Unserviced Rental Rate ¹ :	\$40.50 per NUSF
Estimated Total Unserviced Annual Cost ² :	\$4,049,433

Justification

¹ This estimate is for fiscal year 2018 and may be escalated by 2.0 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is unserviced and excludes all operating expenses, whether paid by the lessor or directly by the Government.

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

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A new 99,986 NUSF lease in San Diego will replace and consolidate the two existing leases in the San Diego/Mission Valley market including the 43,473 NUSF Mission Valley Clinic, the 10,000 NUSF Mission George Clinic.

The current space in these facilities is insufficient to meet the projected needs of the veteran community and cannot address the growing need for Women's Health, Blind Services, or Dental and Ambulatory Surgery. The facilities have poorly configured space and numerous deficiencies are currently present at the existing clinics.

A new, single lease consolidating the existing locations will create economies of scale and overall operating efficiencies that will yield significant cost savings as well as the ability to expand services to a greater number of Veterans.

The new facility will enhance VA outpatient services by integrating care delivery (Primary, Mental Health, Specialty Care and Ancillary Services) as well as expand services for Women's Health, Audiology, Blind Rehabilitation and Eye Clinic Services.

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.

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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 December 21, 2016

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Administrator, General Services Administration