

**PROSPECTUS – LEASE
U.S. DEPARTMENT OF VETERANS AFFAIRS
CONROE, TX**

Prospectus Number: PTX-03-VA24
Congressional Districts: 02, 08

Executive Summary

The General Services Administration (GSA) proposes an outpatient clinic lease of approximately 191,305 net usable square feet (NUSF) for the Department of Veterans Affairs (VA) in the vicinity of Conroe, TX.

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

Description

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| Occupant: | Veterans Affairs |
| Current NUSF | 34,024 |
| Estimated Maximum NUSF: | 191,305 |
| Expansion/Reduction NUSF: | 157,281 (expansion) |
| Estimated Maximum Rentable Square Feet: | 258,262 |
| Expiration Dates of Current Lease(s): | 10/29/2024 |
| Proposed Maximum Lease Term: | 20 years |
| Delineated Area: | <u>North:</u> E on Highway 105 W, E on Carter Moore Dr, N on I-45, E on Seven Cove Rd <u>East:</u> S on FM 2432 Rd, S on Waukegan Rd, S on FM 1485 Rd <u>South:</u> W on Highway 242, W on Greenbridge Dr, W on Research Forest Dr <u>West:</u> N on Honea Egypt Rd, N on Sendera Ranch Dr, N on Fish Creek Thoroughfare, N on McCaleb Rd |
| Parking Spaces: | 1,300 |
| Scoring: | Operating Lease |
| Current Total Annual Cost: | \$1,274,704 (lease effective 10/29/2014) |
| Current Total Unserviced Annual Cost: | \$1,274,704 |
| Estimated Unserviced Rental Rate: ¹ | \$45.39 per NUSF |
| Estimated Total Unserviced Annual Cost: ² | \$8,684,000 |

¹ This estimate is for fiscal year 2024 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.

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

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Justification

A new 191,305 NUSF lease in Conroe will allow for the replacement and expansion of the existing Conroe Community-Based Outpatient Clinic (CBOC).

The current mental health, primary care, specialty care, and ancillary spaces at the Conroe CBOC are inadequate and undersized for the current and projected veteran workload demand for services. Specifically, workload for ambulatory services and procedures and mental health services is projected to increase over the next 20 years.

The new facility will enhance VA outpatient services by closing space gaps identified in VA's Strategic Capital Investment Planning process. This new lease will allow VA to provide primary care, mental health, ambulatory surgery, specialty care, and ancillary services to the veteran population in the Houston area in a rightsized and state-of-the-art healthcare facility in a timely manner. Being housed in a right-sized, Patient-Aligned Care Team-designed,³ and more accessible facility will allow better optimized VA care delivery, improved veteran satisfaction, increased team coordination, improved workflows, and improved recruitment and retention for VA staff.

The proposed project aligns with the following VA Departmental Strategic Goals:

1. Build Long-term Relationships and Trust with Customers and Partners
 - VA consistently communicates with its customers and partners to assess and maximize performance, evaluate needs and build long-term relationships and trust.
2. Deliver Timely, Accessible, High-Quality Benefits, Care and Services
 - VA delivers timely, accessible, high-quality benefits, care and services to meet the unique needs of veterans and all eligible beneficiaries.
3. Improve Experiences, Satisfaction, Accountability and Security
 - VA ensures governance, systems, data and management best practices improve experiences, satisfaction, accountability and security.

Summary of Energy Compliance

³ Patient-Aligned Care Team design focuses on open office work environments, separation of patient and staff flows, and modular adaptable design.

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The Government will incorporate energy efficiency and sustainability requirements into the Request for Lease Proposal 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 the maximum extent practicable requires offerors to comply with the Energy Star requirement and other statutory and regulatory requirements.

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.

Certification of Need

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

Submitted at Washington, DC, on 10/5/2023

Recommended:  _____
Commissioner, Public Buildings Service

Approved:  _____
Administrator, General Services Administration