# AMENDED PROSPECTUS – LEASE U.S. DEPARTMENT OF VETERANS AFFAIRS CLARKSVILLE, TN

Prospectus Number: PTN-15-VA25 Congressional District: 7

### **Executive Summary**

The General Services Administration (GSA) proposes to amend prospectus PTN-24-VA23 for an outpatient clinic lease of approximately 215,175 net usable square feet (NUSF) for the U.S. Department of Veterans Affairs (VA), replacing a separate outpatient facility totaling 4,722 NUSF in the vicinity of Clarksville, TN. 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 Clarksville 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: 4,722 Estimated Maximum NUSF: 215,175

Expansion/Reduction NUSF: 210,453 (expansion)

Estimated Maximum Rentable Square Feet: 290,486
Expiration Dates of Current Lease(s): 9/30/2025
Proposed Maximum Leasing Authority: 20 years

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Delineated Area: North: Intersection

North: Intersection Hwy 41 & Hwy 374, E on Hwy 374, N on Hwy 48

South: W on Hwy 76, W on Ashland City Rd, S on Ashland City Rd, W along Wall

Branch Stream

East: S on Interstate 24

West: W along Cumberland River, continue N along Cumberland River, E along Red River, N on Providence Blvd,

N on Highway 41

Number of Official Parking Spaces: 1,500

Scoring: Operating Lease

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Congressional District:

Current Total Annual Cost<sup>1</sup>:

\$160,000 (lease effective 9/10/2013

Current Total Unserviced Annual Cost:

\$105,016

Estimated Unserviced Rental Rate<sup>2</sup>: Estimated Total Unserviced Annual Cost<sup>3</sup>: \$55.42 per NUSF

\$11,925,000

### Justification

A new 215,175 NUSF lease in Clarksville will replace the existing Clarksville VA Clinic and allow for decompression at the Nashville VAMC.

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 Clarksville 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<sup>4</sup>.

### 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

<sup>&</sup>lt;sup>1</sup> Existing lease cost information has been updated to reflect current terms which changed over time.

<sup>&</sup>lt;sup>2</sup> This estimate is for fiscal year 2029 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.

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

<sup>&</sup>lt;sup>4</sup> Per the legal authority in <u>42 U.S.C. § 17091</u> based on the originating legislation <u>EISA 2007 § 435</u>, 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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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
Recommended:  Commissioner, Public Buildings Service
Approved:  Administrator, General Services Administration