AMENDED PROSPECTUS – LEASE U.S. DEPARTMENT OF VETERANS AFFAIRS HAMPTON ROADS, VA

Prospectus Number: PVA-17-VA25 Congressional Districts: 2, 3

Executive Summary

The General Services Administration (GSA) proposes to amend prospectus PVA-15-VA23 for a new outpatient clinic lease of approximately 182,230 net usable square feet (NUSF) for the U.S. Department of Veterans Affairs (VA) in the vicinity of Hampton Roads, VA. 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 Hampton 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: N/A
Estimated Maximum NUSF: 182,230

Expansion/Reduction NUSF: 182,230 (expansion)

Estimated Maximum Rentable Square Feet: 246,011
Expiration Dates of Current Lease(s): N/A
Proposed Maximum Leasing Authority: 20 years

Delineated Area: Norview Ave, I-64, Northampton

Blvd (SR 13), Independence Blvd South: Kempsville Rd (SR 190), Butts Station Rd, Elbow Rd, Dam Neck Rd,

Holland Rd

East: Independence Blvd to Holland Rd at

Dam Neck Rd

West: Tidewater Dr (SR 168),

Campostella Rd, N Battlefield Blvd (SR

168) at Kempsville Rd (SR 190)

Number of Official Parking Spaces: 1,250

Scoring: Operating Lease

Current Total Annual Cost: N/A
Current Total Unserviced Annual Cost: N/A

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Estimated Unserviced Rental Rate¹:

\$57.60 per NUSF

Estimated Total Unserviced Annual Cost²:

\$10,497,000

Justification

A new 182,230 NUSF lease in Hampton Roads will allow for decompression of the existing outpatient clinics and the Hampton 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 Hampton Roads 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 higher³.

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.

¹ 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.

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

³ 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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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: Stepher Ehlan Administrator, General Services Administration