

**AMENDED PROSPECTUS – LEASE
U.S. DEPARTMENT OF VETERANS AFFAIRS
JACKSONVILLE, NC**

Prospectus Number: PNC-18-VA25

Congressional District: 3

Executive Summary

The General Services Administration (GSA) proposes to amend prospectus PNC-16-VA23 for an outpatient clinic lease of approximately 188,917 net usable square feet (NUSF) for the U.S. Department of Veterans Affairs (VA), currently located in a separate outpatient facility totaling 15,000 NUSF in the vicinity of Jacksonville, NC. 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 Jacksonville 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 | 15,000 |
| Estimated Maximum NUSF: | 188,917 |
| Expansion/Reduction NUSF: | 173,917 (expansion) |
| Estimated Maximum Rentable Square Feet: | 255,038 |
| Expiration Dates of Current Lease(s): | 12/15/2025 |
| Proposed Maximum Leasing Authority: | 20 years |
| Delineated Area: | <u>North:</u> E on Briarneck Rd from Richlands Hwy, E on Rhodestown Rd, E on Gum Branch Rd, E on Ramsey Rd, S on Kellum Loop Rd, E on Hwy 17s <u>South:</u> Route 24, Hwy 17 <u>East:</u> Halltown Rd, Waters Rd, Old 30 Rd, Piney Green Rd <u>West:</u> Old Maplehurst Rd, Burgaw Hwy, N on Richlands Hwy to Intersection with Briarneck Rd |
| Number of Official Parking Spaces: | 1,300 |
| Scoring: | Operating Lease |

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|---|--|
| Current Total Annual Cost ¹ : | \$406,189 (lease effective 12/16/2015) |
| Current Total Unserviced Annual Cost: | \$231,289 |
| Estimated Unserviced Rental Rate ² : | \$52.58 per NUSF |
| Estimated Total Unserviced Annual Cost ³ : | \$9,934,000 |

Justification

A new 188,917 NUSF lease in Jacksonville, NC will allow for the replacement and expansion of the existing Jacksonville Community-Based Outpatient Clinic lease.

The current space in this facility 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 and will provide a single location in the Jacksonville area to serve the outpatient care needs of Veterans and their families. The new lease will allow VA to provide comprehensive primary care, mental health, and specialty care services to the veteran population in the Jacksonville 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 higher⁴.

¹ Existing lease cost information has been updated to reflect current terms which changed over time.

² 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.

³ New leases may contain an escalation clause to provide for annual changes in real estate taxes.

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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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 3/28/2025

Recommended: _____



Commissioner, Public Buildings Service

Approved: _____



Administrator, General Services Administration