Prospectus Number: PMD-23-VA25 Congressional Districts: 4, 5

## **Executive Summary**

The General Services Administration (GSA) proposes to amend prospectus PMD-19-VA23 for an outpatient clinic lease of approximately 85,116 net usable square feet (NUSF) for the U.S. Department of Veterans Affairs (VA) currently located in two leases, totaling 9,780 NUSF in the vicinity of Washington, DC and Prince George's County, MD. 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 Prince George's County 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: 9,780 Estimated Maximum NUSF: 85,116

Expansion/Reduction NUSF: 75,336 (expansion)

Estimated Maximum Rentable Square Feet: 114,907

Expiration Dates of Current Lease(s):  $8,500 \text{ NUSF} - \frac{5}{31/2028}$  $1,280 \text{ NUSF} - \frac{9}{30/2030}$ 

Proposed Maximum Leasing Authority: 20 years

Delineated Area: North: Route 214

South: Route 373 East: Route 301

West: Route 210 and the MD/DC Line

Number of Official Parking Spaces: 600

Scoring: Operating Lease

Current Total Annual Cost<sup>1</sup>: \$402,380 (leases effective 10/1/2008,

5/30/2010)

Current Total Unserviced Annual Cost: \$204,135

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

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Estimated Unserviced Rental Rate<sup>2</sup>:

\$66.93 per NUSF

Estimated Total Unserviced Annual Cost<sup>3</sup>:

\$5,697,000

### Justification

A new 85,116 NUSF lease in Prince George's County, MD will replace and consolidate two existing leases in the Prince George's County market, including existing Southern Prince George's County Community-Based Outpatient Clinic (CBOC) and the Southeast Washington, DC CBOC leases.

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 and will provide a single location in the Prince George's County 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 Prince George's County 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>2</sup> 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.

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

Per the legal authority in 42 U.S.C. 8 17091 based on the originating legislation FISA 2007 8 4:

<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.

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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

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: Stepher Ehlan  Administrator, General Services Administration