

**PROSPECTUS – LEASE  
U.S. DEPARTMENT OF VETERANS AFFAIRS  
SUSSEX COUNTY, DE**

Prospectus Number: PDE-10-VA24  
Congressional District: 01

**Executive Summary**

The General Services Administration (GSA) proposes a hospital lease of approximately 135,979 net usable square feet (NUSF) for the Department of Veterans Affairs (VA) in the vicinity of Sussex County, DE.

The lease will be delegated to VA, provide continued services for the Sussex 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:	VA
Current NUSF	11,155
Estimated Maximum NUSF:	135,979
Expansion/Reduction NUSF:	124,824 (expansion)
Estimated Maximum Rentable Square Feet:	197,170
Expiration Dates of Current Lease(s):	9/8/2027
Proposed Maximum Lease Term:	20 years
Delineated Area:	<u>North:</u> E on Johnson Rd, E on Cabbage Pond Rd, E on Fleatown Rd, E on Pine Haven Rd <u>East:</u> S on Coastal Hwy <u>South:</u> W on John J Williams Hwy, W on Main St <u>West:</u> N on Dupont Blvd
Parking Spaces:	950
Scoring:	Operating Lease
Current Total Annual Cost:	\$346,913 (lease effective 9/8/2017)
Current Total Unserviced Annual Cost:	\$344,913
Estimated Unserviced Rental Rate: <sup>1</sup>	\$52.42 per NUSF
Estimated Total Unserviced Annual Cost: <sup>2</sup>	\$7,129,000

<sup>1</sup> 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.

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

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**Justification**

A new 135,979 NUSF lease in Sussex County will allow for the replacement of the existing Sussex County Community-Based Outpatient Clinic (CBOC) and the decompression of the Wilmington VA Medical Center (VAMC) in Wilmington, DE.

The current mental health, primary care, specialty care, inpatient medicine, and ancillary spaces at the Sussex County CBOC and Wilmington VAMC are inadequate and undersized for the current and projected veteran workload demand for services.

This project addresses space gaps and enhances veteran health care services in the Sussex County market. As workload for ambulatory services and procedures and mental health services is projected to increase over the next 20 years, this project is essential to ensure that veterans can access these services in a timely manner. Being housed in a right-sized, Patient-Aligned Care Team-designed,<sup>3</sup> more accessible facility would allow for better optimized VA care delivery, improved veteran satisfaction, increased team coordination, improved workflows, and improved recruitment and retention for VA staff. Additionally, VA plans to continue providing clinical services post-decompression at the Wilmington VAMC in less crowded and constrained conditions.

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.

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<sup>3</sup> 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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**Summary of Energy Compliance**

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.

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**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: 

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Commissioner, Public Buildings Service

Approved: 

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Administrator, General Services Administration