

**PROSPECTUS – LEASE
U.S. DEPARTMENT OF VETERANS AFFAIRS
COATESVILLE, PA**

Prospectus Number: PPA-07-VA25
Congressional District: PA-06

Executive Summary

The U.S. General Services Administration (GSA) proposes a medical center lease of approximately 329,909 net usable square feet (NUSF) for the U.S. Department of Veterans Affairs (VA) in the vicinity of Coatesville, PA.

The lease will be delegated to VA, provide continued services for the Coatesville 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:	329,909
Expansion/Reduction NUSF:	329,909 (expansion)
Estimated Maximum Rentable Square Feet:	445,377
Expiration Dates of Current Lease(s):	N/A
Proposed Maximum Leasing Authority:	20 years
Delineated Area:	<u>North:</u> S on Caton Rd, E on Telegraph Rd, N on Hibernia Rd, E on Highspire Rd <u>East:</u> S on PA-282, S on US-322 <u>South:</u> W on Shadyside Rd, W on Strasburg Rd, W on PA-372 <u>West:</u> N on PA-10
Parking Spaces:	2,250
Scoring:	Operating Lease
Current Total Annual Cost:	N/A
Current Total Unserviced Annual Cost:	N/A
Estimated Unserviced Rental Rate: ¹	\$59.71 per NUSF
Estimated Total Unserviced Annual Cost: ²	\$19,699,000

Justification

A new 329,909 NUSF lease in Coatesville, PA, will allow for the relocation of inpatient and outpatient services currently offered at the Coatesville VA Medical Center (VAMC).

¹ This estimate is for fiscal year 2025 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.

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The current inpatient mental health, community living center, primary care, mental health, certain specialty care, and ancillary services at the Coatesville VAMC are inadequate for the current and projected veteran workload demand for services. The existing facility consists mostly of H-style buildings which are not conducive for the efficient patient flow that is required for the delivery of modern healthcare even after renovation due to structural columns in these buildings which restrict design. These restrictions in the facility infrastructure limit the amount of suitable space to accommodate current and projected workload. Additionally, the existing facility currently has a \$143-million facility condition assessment deficit, further hindering the development of modern healthcare space. Continuing to provide healthcare services in this setting leads to high-cost operational inefficiencies. Furthermore, workload for ambulatory services and procedures, mental health services, and acute mental health is projected to increase over the next 20 years.

The new facility will enhance VA inpatient and outpatient services by closing space gaps identified in VA's Strategic Capital Investment Planning process. This new lease will allow VA to provide comprehensive inpatient mental health, community living center, primary care, mental health, specialty care, and ancillary services to the veteran population in the Coatesville area in a rightsized and state-of-the-art healthcare facility in a timely manner. Being housed in a right-sized, Patient-Aligned Care Team-designed,³ and more accessible facility will allow better optimized VA care delivery, improved veteran satisfaction, increased team coordination, improved workflows, and improved recruitment and retention for VA staff.

The proposed project aligns with the following VA Departmental Strategic Goals:

1. 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.

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.

³ 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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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 9/16/2024

Recommended: Elliot Doomes
Commissioner, Public Buildings Service

Approved: Ralph Comaha
Administrator, General Services Administration