

**PROSPECTUS – LEASE
U.S. DEPARTMENT OF VETERANS AFFAIRS
FREDERICKSBURG, VA**

Prospectus Number: PVA-01-VA19
Congressional District(s): 1, 7

Executive Summary

The General Services Administration (GSA) proposes a lease of approximately 364,831 net usable square feet (NUSF) for the U.S. Department of Veterans Affairs (VA) outpatient clinic currently located in two leases totaling 21,551 NUSF in Fredericksburg, VA.

The lease will be delegated to VA, provide continued services for the Fredericksburg 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	21,551
Estimated Maximum NUSF:	364,831
Expansion/Reduction NUSF:	343,280 (expansion)
Estimated Maximum Rentable Square Feet:	492,522
Expiration Dates of Current Lease(s):	9,975 NUSF – 10/31/2021 11,576 NUSF – 1/21/2026
Proposed Maximum Leasing Authority:	20 years
Delincated Area:	<u>North:</u> Courthouse Rd. from Shelton Shop Rd. (SR 648) east to Andrew Chapel Rd. (SR 629) <u>South:</u> Smith Station Rd./Spotsylvania Pkwy. (SR 628) from SR 208 to Hospital Blvd. to Mills Dr./US 17 to Jim Morris Rd. (SR 609) <u>East:</u> Jim Morris Rd. (SR 609) from US 17 N to Tidewater Trail/US-17 BUS N to VA-3E/Blue and Gray Pkwy. to Kings Hwy. to Cool Springs Rd. to Deacon Rd. to Brooke Rd. to Andrew Chapel Rd. to Courthouse Rd. (SR 630) <u>West:</u> Smith Station Rd. (SR 628) from SR 208 to Gordon Road to Trench Hill Lane to River Road to Fall Hill Ave. (SR 639) to I-95N to Sandford Dr. to Celebrate VA Pkwy. to Warrenton Rd. (SR 17) to Poplar Rd. to Kellogg Mill Rd. to Mountain View Rd. to Shelton

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Number of Official Parking Spaces:	Shop Rd. to Courthouse Rd. 2,600
Scoring:	Operating Lease
Current Total Annual Cost:	\$629,142
Current Total Unserviced Annual Cost:	\$485,492
Estimated Unserviced Rental Rate ¹ :	\$40.69 per NUSF
Estimated Total Unserviced Annual Cost ² :	\$14,844,973

Justification

A new 364,831 NUSF lease in Fredericksburg will replace and consolidate the two existing Community Based Outpatient Clinic leases. The current space in these leased facilities is insufficient to meet the current and projected needs of the veteran community. Space limitations and an increase in workload limit veterans' access to services in a timely manner. Additionally, the existing locations have safety and security deficiencies.

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 Fredericksburg area to serve the outpatient care needs of veterans and their families. The new lease will allow VA to provide new specialty care services and enhance and expand the existing primary care, mental health, and specialty care services it currently provides to veterans in a rightsized, state-of-the-art, healthcare facility. Further, the intent of this lease is to facilitate collaboration and sharing of services with the Department of Defense (DoD).

The proposed lease will provide veterans in the Fredericksburg area better access to high-quality, reliable healthcare. A new lease also will provide future flexibility. Based on changes in veteran demographics, workload patterns, and emergent healthcare delivery practices, a lease will allow VA to resize, replace, or exit the proposed clinic lease as necessary. With this new lease, sufficient space will be available to provide the necessary primary care, mental health, and specialty care capacity to help ensure veterans have timely access to high-quality care.

As part of the proposed comprehensive outpatient care offering, the facility will include a fully staffed Compensation and Pension department. This facility also will have a strong focus on improving mental health services, reducing veteran homelessness, providing

¹ This estimate is for fiscal year 2019 and may be escalated by 2.0 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 are 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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women's health services, and widely using telehealth services. The newly expanded clinic in Fredericksburg will also provide training opportunities for Virginia Commonwealth University medical students/residents and other training programs. In addition, the Outpatient Clinic in Fredericksburg will include 16,733 NUSF of space for DoD. The intent is for DoD to have access to VA ancillary and diagnostic services, as well as some specialty care. Due to the rapid growth in workload and the lack of available private-sector providers to accommodate any of the excess demand in the Fredericksburg area, the new lease is necessary to provide high-quality outpatient services to veterans in a timely manner.

Summary of Energy Compliance

Energy efficiency requirements will be incorporated into the Request for Lease Proposals and other documents related to the procurement of space based on the approved prospectus. Offerors are encouraged to exceed minimum requirements set forth in the procurement and to achieve an Energy Star performance rating of 75 or higher.

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 August 9, 2019.

Recommended:



Commissioner, Public Buildings Service

Approved:



Administrator, General Services Administration