

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

Prospectus Number: PNC-01-VA19
Congressional District(s): 2, 4

Executive Summary

The General Services Administration (GSA) proposes an outpatient clinic lease of approximately 185,271 net usable square feet (NUSF) for the U.S. Department of Veterans Affairs (VA), currently located in three leases totaling 33,473 NUSF in Raleigh, NC.

The lease will be delegated to VA, provide continued services for the Raleigh 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:	33,473
Estimated Maximum NUSF:	185,271
Expansion/Reduction NUSF:	151,798 (expansion)
Estimated Maximum Rentable Square Feet:	250,116
Expiration Dates of Current Lease(s):	13,500 NUSF – 9/30/2023 9,973 NUSF – 6/14/2020 10,000 NUSF – 5/11/2021
Proposed Maximum Leasing Authority:	20 years
Delineated Area:	<u>North</u> : Western Blvd. at Gorman St. to Martin Luther King Jr. Blvd. at Rock Quarry Rd. <u>South</u> : Ten-Ten Rd. at Blaney Franks Rd. to Ten-Ten Rd. at Benson Rd. <u>East</u> : Rock Quarry Road at Martin Luther King Jr. Blvd. to Sanderford Rd. to Creech Rd. to E. Garner Rd. to Benson Rd. <u>West</u> : Gorman St. at Western Blvd. to Avent Ferry Rd. to Tryon Rd. to Yates Mill Pond Rd. to Olde South Rd. to Penny Rd. to Blaney Franks Rd. at Ten-Ten Rd.
Number of Official Parking Spaces:	1,300
Scoring:	Operating Lease
Current Total Annual Cost:	\$761,862
Current Total Unserved Annual Cost:	\$495,210

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Estimated Unserviced Rental Rate ¹ :	\$42.28 per NUSF
Estimated Total Unserviced Annual Cost ² :	\$7,833,258

Justification

A new 185,271 NUSF lease in Raleigh will replace and consolidate the three existing leases in the Raleigh market, including a 9,973 NUSF Intensive Outpatient Program lease as well as two Community Based Outpatient Clinics—one consisting of 13,500 NUSF and one consisting of 10,000 NUSF.

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. 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 Raleigh area to serve the outpatient care needs of veterans and their families. The new lease will allow VA to consolidate and enhance the primary care, mental health, dialysis, and limited specialty care services it currently provides in the three existing leases, and will also allow for the offering of new specialty care services, women's health, ambulatory surgery, and imaging to veterans in a rightsized and state-of-the-art healthcare facility.

The proposed lease will provide veterans in the Raleigh area better access to high-quality, reliable healthcare. A new lease will also provide future flexibility by allowing VA to resize, replace, or exit the proposed clinic lease based on changes in veteran demographics, workload patterns, and emergent healthcare delivery practices.

With this new lease, sufficient space will be available to provide the necessary primary 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 administrative medicine department for compensation and pension examinations to assist in eliminating the Veteran Benefits Administration's claims backlog. This facility will also have a strong focus on mental health, the reduction of veteran homelessness, and women's health services.

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 excluded); 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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Summary of Energy Compliance

GSA 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. GSA encourages offerors 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.

Certification of Need

The proposed project is the best solution to meet a validated Government need.

Submitted at Washington, DC, on November 7, 2019.

Recommended: _____


Commissioner, Public Buildings Service

Approved: _____


Administrator, General Services Administration