

**PROSPECTUS – LEASE
DEPARTMENT OF TRANSPORTATION AND
DEPARTMENT OF VETERANS AFFAIRS
KANSAS CITY, MO**

Prospectus Number: PMO-02-KC20
Congressional District: 05

Executive Summary

The General Services Administration (GSA) proposes a lease extension of up to 5 years for approximately 204,607 rentable square feet (RSF) for five components of the Department of Transportation (DOT) and for the Department of Veterans Affairs, Veterans Health Administration (VA-VHA), currently located at 901 Locust Street, Kansas City, Missouri. DOT and VA-VHA have occupied space in the building since 2009 under a lease that expires on October 14, 2019.

Extension of the current lease will enable DOT and VA-VHA to provide continued housing for personnel and meet their mission requirements while planning for the future replacement lease. The office and overall utilization will be maintained at 162 and 311 usable square feet (USF) per person, respectively.

Description

Occupant:	Departments of Transportation and Veterans Affairs
Current RSF:	204,607 (Current RSF/USF = 1.20)
Estimated/Proposed Maximum RSF:	204,607 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF:	None
Current USF/Person:	311
Estimated/Proposed USF/Person:	311
Expiration Dates of Current Lease(s):	10/14/2019
Proposed Maximum Leasing Authority:	5 years
Delineated Area:	North: I-70/I-35; East: I-70/Campbell Street; South: 31st Street; West: Summit Street/I-35.
Number of Official Parking Spaces:	104
Scoring:	Operating
Current Total Annual Cost:	\$4,238,269 (leases effective 10/15/2009)
Estimated Rental Rate ¹ :	\$24.35/RSF
Estimated Total Annual Cost ² :	\$4,982,181

¹ This estimate is for fiscal year 2020 and may be escalated by 2 percent per year to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced, including all operating expenses, whether paid by the lessor or directly by the Government. GSA will conduct the procurement using prevailing market rental rates as a benchmark for the evaluation of competitive offers and as the basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government.

² New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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Background

In addition to VA-VHA, this location houses the administrative offices of the following five DOT operating administrations within the Kansas City, Missouri, area:

- The Federal Aviation Administration's (FAA) mission is to provide the safest, most efficient aerospace system in the world;
- The Federal Railroad Administration's mission is to enable the safe, reliable, and efficient movement of people and goods for a strong America, now and in the future;
- The National Highway Transportation Safety Administration's mission is to save lives, prevent injuries, and reduce economic costs due to road traffic crashes, through education, research, safety standards, and enforcement activity;
- The Federal Transit Administration's mission is to provide financial and technical assistance to local public transit systems, including buses, subways, light rail, commuter rail, trolleys, and ferries; and
- The Pipeline and Hazardous Materials Safety Administration's mission is to protect people and the environment by advancing the safe transportation of energy and other hazardous materials that are essential to our daily lives.

VA-VHA's mission is to honor America's veterans by providing exceptional healthcare that improves their health and well-being. VA-VHA is the largest integrated healthcare system in the United States, providing care to over 9 million veterans enrolled in the VA healthcare program.

Justification

The current lease at 901 Locust Street expires on October 14, 2019, and the agencies require continued housing to carry out their missions until the long-term plan can be executed for a replacement lease. This FAA location houses the Regional Office and the functions of oversight of airport planning, development, and certification, as well as administration of regulations for airmen, air carriers, and air agencies. The remaining DOT components execute mission functions necessary to perform vital operations. The VA-VHA office is responsible for administrative operations to support the VA Heartland Network of medical centers and healthcare systems.

Continued housing is critical to these agencies meeting their mission requirements, and a 5-year lease extension will provide sufficient time to formulate and execute lease replacement plans, as well as budget for move and replication costs accordingly.

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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 rentable area.

Interim Leasing

GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the extension. 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 September 6, 2019

Recommended: _____


Commissioner, Public Buildings Service

Approved: _____


Administrator, General Services Administration