

**PROSPECTUS – LEASE  
U.S. DEPARTMENT OF VETERANS AFFAIRS  
REDDING, CA**

Prospectus Number: PCA-01-VA17  
Congressional District: 1

**Executive Summary**

The U.S. General Services Administration (GSA) proposes a consolidated outpatient clinic lease of approximately 77,000 net usable square feet (NUSF) for the U.S. Department of Veterans Affairs (VA). This action will consolidate two existing leases totaling 48,293 NUSF in Redding, CA.

The lease will provide continued services for the Redding veteran community and provide the necessary expansion services to meet current and projected health care service delivery gaps in the market.

**Description**

Occupant:	Veterans Affairs
Current NUSF	50,165
Estimated Maximum NUSF:	77,000
Expansion/Reduction NUSF:	26,835 (expansion)
Estimated Maximum RSF:	103,950
Expiration Dates of Current Lease(s):	10/31/2016, 2/28/2022
Proposed Maximum Leasing Authority:	Up to 20 years
Delineated Area:	<p><u>North:</u> Route 299 / Eureka Way (starting at Buenaventura Blvd and extending east to Market St), then South Market Street (extending northeast to Lake Blvd East), then Lake Blvd East (extending east to Old Oregon Trail)</p> <p><u>South:</u> Ox Yoke Rd/Riverside Ave (starting at Eastside Rd and extending east to Airport Rd)</p> <p><u>East:</u> Old Oregon Trail / Airport Rd (starting at Lake Blvd East and extending south to Riverside Ave)</p> <p><u>West:</u> Bonaventure Blvd (starting at Route 299 / Eureka Way and extending south to Route 273) and then Route 273 / S. Market St / Eastside Rd (extending south to Ox Yoke Rd)</p>
Number of Official Parking Spaces:	520
Scoring:	Operating Lease

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Current Total Annual Cost:	\$1,096,328 (leases effective 11/1/1996, 3/1/2012)
Current Total Unserviced Annual Cost:	\$604,500
Estimated Unserviced Rental Rate <sup>1</sup> :	\$43.42 per NUSF
Estimated Total Unserviced Annual Cost <sup>2</sup> :	\$3,343,340

**Justification**

The 77,000 NUSF facility will address utilization, space, and wait time gaps through the consolidation and expansion of two expiring leases into a new state-of-the-art leased outpatient clinic. The new consolidated lease will provide space for a second x-ray unit, mammography, and will accommodate 17 additional mental health providers. The proposed project will also provide the clinical space necessary to accommodate projected workload demands and improve access for veterans.

The consolidated outpatient clinic will allow for growth in Primary Care, Mental Health, and Specialty Care for the following services: Laboratory and Pathology, Audiology, Cardiology, Gastroenterology, Neurology, Endocrinology, Dermatology, Infectious Diseases, Pulmonary Medicine, Homeless Services, Mental Health, Primary Care, Urgent Care Radiology, Ear-Nose-Throat ENT, General Surgery, Obstetrics and Gynecology, Orthopedics, Podiatry, and Urology. The new leased facility will add telemedicine exam rooms to provide specialty services in Allergy and Immunology, Nephrology, and Rheumatology.

**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.

<sup>1</sup> This estimate is for fiscal year 2018 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 and excludes all operating expenses, whether paid by the lessor or directly by the Government.

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

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**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 December 21, 2016

Recommended:   
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Commissioner, Public Buildings Service

Approved:   
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Administrator, General Services Administration