

**PROSPECTUS – LEASE
U.S. DEPARTMENT OF VETERANS AFFAIRS
PONCE, PR**

Prospectus Number: PPR-01-VA17

Executive Summary

The U.S. General Services Administration (GSA) proposes an outpatient clinic lease of approximately 114,300 net usable square feet (NUSF) for the U.S. Department of Veterans Affairs (VA), to replace the clinic currently located in a 56,550 NUSF building that is unable to meet VA's space needs in Ponce, PR.

The lease will provide continued services for the Ponce 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	56,550
Estimated Maximum NUSF:	114,300
Expansion/Reduction NUSF:	57,750 (expansion)
Estimated Maximum RSF:	154,305
Expiration Dates of Current Lease(s):	2/27/2020
Proposed Maximum Leasing Authority:	Up to 20 years
Delineated Area:	<p><u>North:</u> State Road 10 (starting next to the "Parque Ceremonial Tibes" and continuing to State Road 14) and State Road 14 (continuing to the eastern boundary of city of Ponce)</p> <p><u>South:</u> Coast line (starting at "Rio Matilde" and extending to the eastern boundary of the city of Ponce)</p> <p><u>East:</u> Eastern boundary of the city of Ponce (starting at State Road 14 and extending south to the coast line)</p> <p><u>West:</u> State Road 503 (starting at State Road 10 and continuing to State Road 133), then State Road 133 (extending west to State Road 123 (south)), then State Road 123 (extending south to State Road 163), then State Road 163 (extending west to State Road 9), then State Road 9 (extending south to PR Highway 2) and then "Rio Matilde" south to the coast line</p>
Number of Official Parking Spaces:	915
Scoring:	Operating Lease

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Current Total Annual Cost:	\$1,325,597 (leases effective 2/28/2000)
Current Total Unserviced Annual Cost:	\$1,213,582
Estimated Unserviced Rental Rate ¹ :	\$47.56 per NUSF
Estimated Total Unserviced Annual Cost ² :	\$5,436,108

Justification

The proposed 114,300 NUSF facility will provide expanded outpatient services to address utilization and space gaps in the southwestern, south and southeast regions of Puerto Rico that were identified through the Strategic Capital Investment Planning (SCIP) process. At 56,550 NUSF, the current Ponce Outpatient Clinic does not provide sufficient space, parking, or the medical technology to meet the projected needs of the veteran community.

Several programs currently provided at the Ponce Outpatient Clinic have both workload and space gaps identified by the Strategic Capital Investment Planning (SCIP) process. To address these gaps, the replacement Ponce Outpatient Clinic lease will include all current services: Primary Care; Mental Health Clinic; Physical Medicine and Rehabilitation (PMR); Surgery; Laboratory; Pharmacy; Radiology; Audiology; Eye Clinic; Prosthetics; Sterile Processing and Distribution (SPD); and Acquisition and Material Management Service (AMMS). The replacement clinic will also enhance and expand the following programs: Women's Care, Audiology and Speech Pathology, and Home Care. Finally, the replacement clinic will also add several programs: Chemotherapy, Gastroenterology, Day Hospital, Mental Health Program, Imaging Center, and MRI suite.

Although the proposed services in the replacement clinic are currently offered in San Juan, this is a one- to two-hour drive for some veterans. Locating and expanding programs in Ponce will afford medical care to the underserved catchment areas of Ponce, Mayaguez, and Guayama and improve access to veterans in these areas.

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

¹ 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.

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

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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 December 21, 2016

Recommended: _____



Commissioner, Public Buildings Service

Approved: _____



Administrator, General Services Administration