

**PROSPECTUS – LEASE
U.S. DEPARTMENT OF VETERANS AFFAIRS
JACKSONVILLE, FL**

Prospectus Number: PFL-02-VA19
Congressional District(s): 4, 5

Executive Summary

The General Services Administration (GSA) proposes an outpatient clinic lease of approximately 164,054 net usable square feet (NUSF) for the U.S. Department of Veterans Affairs (VA), currently located in four leases totaling 49,895 NUSF in Jacksonville, FL.

The lease will be delegated to VA, provide continued services for the Jacksonville 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:	49,895
Estimated Maximum NUSF:	164,054
Expansion/Reduction NUSF:	114,159 (expansion)
Estimated Maximum Rentable Square Feet:	221,473
Expiration Dates of Current Lease(s):	19,750 NUSF – 9/8/2021 30,145 NUSF – 2/28/2023
Proposed Maximum Leasing Authority:	20 years
Delineated Area:	<u>North:</u> Duval County Line <u>South:</u> Duval County Line <u>East:</u> Duval County Line <u>West:</u> Duval County Line
Number of Official Parking Spaces:	1,150
Scoring:	Operating Lease
Current Total Annual Cost:	\$1,334,795
Current Total Unserviced Annual Cost:	\$937,444
Estimated Unserviced Rental Rate ¹ :	\$31.33 per NUSF
Estimated Total Unserviced Annual Cost ² :	\$5,139,812

Justification

A new 164,054 NUSF lease in Jacksonville will replace and consolidate four existing leases in the Jacksonville market, including the interim outpatient clinic, the primary care clinic, and the mental health clinic.

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 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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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' timely access to services. 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 Jacksonville area to serve the outpatient care needs of veterans and their families. The new lease will allow VA to provide comprehensive primary care, mental health, and specialty care services to the rapidly growing veteran population in the Jacksonville area in a rightsized and state-of-the-art healthcare facility. The new lease will also include domiciliary space to accommodate the growing need for inpatient mental health space in the Jacksonville market.

Additionally, 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.

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.

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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 November 7, 2019.

Recommended: _____



Commissioner, Public Buildings Service

Approved: _____



Administrator, General Services Administration