

**PROSPECTUS – LEASE
U.S. DEPARTMENT OF VETERANS AFFAIRS
OAHU, HI**

Prospectus Number: PHI-01-VA21
Congressional District: 1,2

Executive Summary

The U.S. General Services Administration (GSA) proposes to amend prospectus PHI-01-VA17, which proposed a lease of up to 66,000 net usable square feet (NUSF) for an outpatient clinic lease for the U.S. Department of Veterans Affairs (VA), in Oahu, HI.

The Senate Committee on Environment and Public Works and the House Committee on Transportation and Infrastructure approved the original prospectus on November 29, 2017, and February 29, 2017. This amended prospectus seeks authority to lease the previously approved space at a higher rental rate for a shorter period of time. The lease will enable the VA Pacific Island Health Care System to more efficiently provide services to veterans located on the island.

Description

Occupant:	Veterans Affairs
Current NUSF:	8,721 ¹
Estimated Maximum NUSF:	66,000
Expansion/Reduction NUSF:	57,279 (expansion)
Estimated Maximum Rentable SF:	89,100
Expiration Dates of Current Lease(s):	2,292 NUSF – 12/31/2021 6,429 NUSF – 7/31/2022
Proposed Maximum Leasing Authority:	15 years
Delineated Area:	<u>North:</u> From the intersection of Kalaeloa Boulevard and Farrington Highway, proceed east on Farrington Highway until its intersection with Interstate H1. Proceed northeast on H1 until its intersection with Fort Weaver Road/Route 76. <u>East:</u> From the intersection of H1 and Fort Weaver Road, proceed south on Fort Weaver Road until its intersection with Geiger Road. <u>South:</u> From the intersection of Fort Weaver Road and Geiger Road, proceed west on Geiger Road. Continue west on

¹ 8,721 NUSF derives from two existing leases in Honolulu, HI, that will be consolidated and expanded by way of this new lease requirement. These leases are 1) VA Leeward Community Based Outpatient Clinic (Ewa Beach) at 6,429 NUSF; and 2) Western Oahu Vet Center (Kapolei) at 2,292 NUSF.

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	Geiger Road as it turns into Roosevelt Avenue. At the intersection of Roosevelt Avenue and Enterprise Street, proceed south on Enterprise Street until its intersection with Saratoga Avenue. Proceed west on Saratoga Avenue until its intersection with Hornet Street. Proceed south on Hornet Street and continue as it turns into Boxer Road. At the intersection of Boxer Road and Midway Street, proceed west on Midway Street. Continue west on Midway Street as it turns into Mumba Street. At the intersection of Mumba Street and Saratoga street, proceed southwest on Saratoga Street. At the intersection of Saratoga Street
	<u>West:</u> From the intersection of Malakole Street and Kalaeloa Boulevard, proceed north on Kalaeloa Boulevard until its intersection with Farrington Highway.
Number of Official Parking Spaces:	528
Scoring:	Operating Lease
Current Total Annual Rent:	\$445,811.48
Current Total Unserviced Annual Rent:	\$383,790
Estimated Unserviced Rental Rate ² :	\$89.86 per NUSF
Estimated Total Unserviced Annual Rent ³ :	\$5,931,083

Justification

Located at the Tripler Army Medical Center, the current VA-operated Spark M. Matsunaga Medical Center is an oversubscribed multi-specialty clinic that treats over 25,000 veterans annually. It is inconveniently located with regard to the Ewa Plain/Leeward, central, and north shore areas of Oahu. The proposed lease addresses the

² This estimate is for fiscal year 2021 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, real estate taxes, insurance, and management and maintenance reserve costs, whether paid by the lessor or directly by the Government.

³ New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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need to provide ongoing primary, mental health, and specialty care services to veterans residing in those areas.

The proposed lease will address utilization and space gaps at the current facility and will support major VA initiatives identified by the VA Secretary including: improve veterans' mental health, experience, and access to health care; enable 21st century benefits; and establish strong VA management infrastructure and integrated operating model and health informatics.

By consolidating the existing Veterans Health Administration clinic, Veterans Benefits Administration regional office, and VA Veterans Center in the Ewa Plain of Oahu, the proposed lease enables the VA Pacific Island Health Care System (VAPIHCS) to more efficiently provide services to veterans located on the island. In addition, the new facility will decompress the VA Spark M. Matsunaga Medical Center and provide space for interdisciplinary team delivery, integration of services into the treatment plan, and optimization of health and wellness.

Providing service in this region improves access to care for veterans by reducing wait and drive times, and enables VA to meet all current and projected demand for services. Additionally, the proposed lease will educate and empower minority and woman veterans through effective outreach, education, and monitoring of the provision of VA benefits and services. The Ewa Plain/Leeward, central, and north shore areas of Oahu contain many minority and woman veterans that will be served through specified and tailored programs that bring awareness to the entitlement of benefits and conduct targeted outreach programs.

This project was initially approved as part of VA's 2014 budget request and was subsequently authorized by the House Committee on Transportation and Infrastructure and the Senate Committee on the Environment and Public Works in 2017. After completing requirements development and market analysis, VA's attempts at procurement were unsuccessful as all offers were above the approved maximum rental rate. Approval of this amended prospectus would allow VA to award a lease under an active solicitation.

Summary of Energy Compliance

Energy efficiency requirements will be incorporated into any proposed contract and other documents related to the procurement of space based on the approved prospectus. Offerors are encouraged to exceed minimum requirements set forth in the procurement and to achieve an Energy Star performance rating of 75 or higher.

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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 net usable area.

Interim Leasing

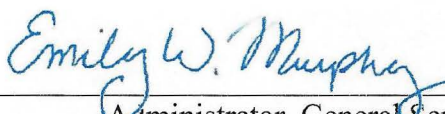
The Government will execute such interim leasing actions as are necessary to ensure continued housing prior to the effective date of the new lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

Certification of Need

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

Submitted at Washington, DC, on 10/2/2020

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Administrator, General Services Administration