



**Committee on Transportation and Infrastructure
U.S. House of Representatives**

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, III
Ranking Member

Christopher P. Bertram, Staff Director

COMMITTEE RESOLUTION

James H. Zoia, Democrat Staff Director

**ALTERATION
EDWARD J. SCHWARTZ FEDERAL BUILDING AND U.S. COURTHOUSE
SAN DIEGO, CA
PCA-0167-SD14**

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, appropriations are authorized for repairs and alterations for the reconfiguration and alteration of space in the Edward J. Schwartz Federal Building and U.S. Courthouse located at 880 Front Street in San Diego, California to consolidate the U.S. Immigration and Customs Enforcement and backfill other tenant agencies, at a design and review cost of \$1,997,317, an estimated construction cost of \$16,042,940 and a management and inspection cost of \$1,688,743 for a total estimated project cost of \$19,729,000, a prospectus for which is attached to and included in this resolution. This resolution authorizes the prospectus as amended by the FY2014 Expenditures Plans for Major Repairs and Alterations Program submitted by the General Services Administration on February 7, 2014 and the revised Housing Plan dated August 2014.

Provided, that the General Services Administration shall not delegate to any other agency the authority granted by this resolution.

Adopted: **September 17, 2014**

Bill Shuster, M.C.
Chairman

**PROSPECTUS - ALTERATION
EDWARD J. SCHWARTZ FEDERAL BUILDING AND U.S. COURTHOUSE
SAN DIEGO, CA**

Prospectus Number: PCA-0167-SD14
Congressional District: 53

FY2014 Project Summary

The General Services Administration (GSA) proposes a repair and alteration project for the reconfiguration and alteration of space in the Edward J. Schwartz Federal Building and US Courthouse (Schwartz FB-CT) to consolidate the U.S. Immigration and Customs Enforcement Agency (ICE) and backfill other tenant agencies in space vacated by the Internal Revenue Service (IRS) and portions of the District Court upon their move to the new San Diego courthouse annex during the first quarter of FY2013. Approximately 184,000 rentable square feet (rsf) of space will be backfilled, building security will be improved to meet tenant requirements, and several of the building systems will be upgraded.

A prospectus for design was submitted in FY2011 which included a full modernization project for the Edward J. Schwartz Federal Building and US Courthouse with an estimated total project cost (ETPC) of \$213,056,000. The project was not fully approved at the time. In an attempt to address only the most critical life safety components of the full modernization project and to allow ICE to collocate 3 leased locations into a Federal building, the proposed project has been reduced in scope and cost with a revised cost of \$61,136,000.

The project will satisfy ICE's need for approximately 157,000 RSF to consolidate its regional operations from three leased locations. In addition to ICE, components of the Executive Office of Immigration Review, US Attorneys, US Trustees, Magistrate Court, US Bankruptcy Clerk, and Federal Protective Service will backfill the vacant space from leased locations. The backfill will allow the Government to release leased space, reducing the Government's rental payments to the private sector by over \$2,000,000 annually.

FY2014 Committee Approval and Appropriation Requested

(Design, ECC and M&I).....\$61,136,000

Major Work Items

Interior construction; security, electrical, fire protection and plumbing systems upgrades; exterior construction

**PROSPECTUS - ALTERATION
EDWARD J. SCHWARTZ FEDERAL BUILDING AND U.S. COURTHOUSE
SAN DIEGO, CA**

Prospectus Number: PCA-0167-SD14
Congressional District: 53

Project Budget

Design	\$6,292,000
Estimated Construction Cost (ECC)	49,127,000
Management and Inspection (M&I)	<u>5,717,000</u>
Estimated Total Project Cost (ETPC)*	\$61,136,000

FY2014 Committee Approval and Appropriation Requested

(Design, ECC and M&I).....\$61,136,000

*Tenant agencies may fund an additional amount for alterations above the standard normally provided by the GSA.

Schedule

	Start	End
Design and Construction	FY2014	FY2017

Building

The 625,715 rentable square foot (rsf) Edward J. Schwartz Federal Building and US Courthouse, at 880 Front St. in downtown San Diego, was built in 1973. It consists of two adjacent structures, a six-story federal office wing, a five-story court wing, and underground parking and basement offices. The building's two wings share an upper basement and are connected by a bridge between the fifth and sixth floors. The last major capital project was a \$14.2 million HVAC upgrade funded in FY2002.

Tenant Agencies

Judiciary, Department of Homeland Security, Department of Justice, GSA

Proposed Project

Approximately 184,000 RSF of vacated space will be reconfigured for occupancy by ICE, Executive Office of Immigration Review, US Attorneys, the U.S. Bankruptcy Court Clerk, U.S. Trustee, U.S. Magistrate Court, and the Federal Protective Service coming from leased locations in the San Diego area. Two public restrooms will be remodeled for compliance with the Architectural Barriers Act Accessibility Standard (ABAAS). The project includes wall hardening on several facades and the installation of bollards and an anti-ram barrier at the entrance to the garage. Building system upgrades including new automatic transfer switches, a new electric fire pump, new domestic water shut-off valves, a new emergency generator and new

**PROSPECTUS - ALTERATION
EDWARD J. SCHWARTZ FEDERAL BUILDING AND U.S. COURTHOUSE
SAN DIEGO, CA**

Prospectus Number: PCA-0167-SD14
Congressional District: 53

quick response fire sprinkler heads will be installed. Precast concrete panels on the south elevation of the building's office wing will be cleaned and sealed.

Major Work Items

Security Upgrade	\$4,483,000
Fire Protection Upgrade	1,338,000
Interior Construction	39,441,000
Electrical Upgrade	2,174,000
Plumbing Upgrade	1,294,000
Exterior Construction	397,000
Total ECC	\$49,127,000

Justification

A prospectus for design was submitted in FY2011 which included a full modernization project for the Edward J. Schwartz Federal Building and US Courthouse with an ETPC of \$213,056,000. The project was not fully approved at the time. In an attempt to address only the most critical life safety components of the full modernization project, the proposed project has been reduced in scope and cost.

In addition to addressing the critical life safety items necessary in the building the project will also backfill space at the Edward J. Schwartz Federal Building and U.S. Courthouse vacated by tenants moving to the new San Diego Courthouse, improve building security, upgrade building systems, and collocate ICE functions in the San Diego area.

Currently the building falls short of blast and security standards. In addition, failure to repair or replace the outdated and inefficient building systems will cause operating costs to continue to increase and would likely lead to costly system failures. Further deterioration of the building's systems will make it difficult to backfill the space vacated by tenants moving to the San Diego Courthouse Annex.

**PROSPECTUS - ALTERATION
 EDWARD J. SCHWARTZ FEDERAL BUILDING AND U.S. COURTHOUSE
 SAN DIEGO, CA**

Prospectus Number: PCA-0167-SD14
 Congressional District: 53

Summary of Energy Compliance

This project will be designed to conform to requirements of the Facilities Standards for the Public Buildings Service and will implement strategies to meet the Guiding Principles for High Performance and Sustainable Buildings. GSA encourages design opportunities to increase energy and water efficiency above the minimum performance criteria.

Prior Appropriations

None

Prior Committee Approvals

Edward J. Schwartz Federal Building and U.S. Courthouse Prior Committee Approvals			
Committee	Date	Amount	Purpose
Senate EPW	11/30/2010	\$22,336,000	Repair & Alteration

Prior Prospectus-Level Projects in Building (past 10 years)

None

Alternatives Considered (30-year, present value cost analysis)

New Construction	\$109,636,000
Alteration	\$ 81,957,000
Leasing.....	\$152,228,000

The 30 year, present value cost of alteration is \$27,670,000 less than the cost of new construction, an equivalent annual cost advantage of \$1,562,000.

**PROSPECTUS - ALTERATION
EDWARD J. SCHWARTZ FEDERAL BUILDING AND U.S. COURTHOUSE
SAN DIEGO, CA**

Prospectus Number: PCA-0167-SD14
Congressional District: 53

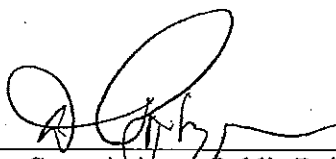
Recommendation

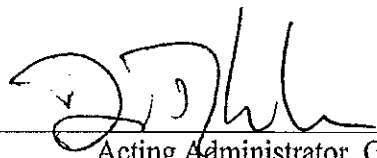
ALTERATION

Certification of Need

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

Submitted at Washington, DC, on April 4, 2013

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Acting Administrator, General Services Administration

	Personnel				Current				Proposed					
	Personnel		Usable Square Feet (USF)		Personnel		Usable Square Feet (USF)		Personnel		Usable Square Feet (USF)			
	Office	Total	Office	Storage	Special	Total	Office	Storage	Special	Total	Office	Storage	Special	Total
Leased Locations														
401 West A Street-CA5939														
ICE	5	5	2,376	-	-	2,376								
185 West F Street-CA6431														
ICE	114	114	43,615	-	-	43,615								
610 W. Ash Street-CA6489														
ICE	40	40	7,954	-	-	7,954								
101 West Broadway - CA6274														
JD Office of the US Attorneys ¹	53	53	18,749	-	-	18,749								
101 West Broadway-CA6274														
Federal Protective Service	16	16	4,033	-	-	4,033								
402 West Broadway-CA6956														
JD US Trustees	35	35	8,746	-	-	8,746								
Subtotal:	263	263	85,473	-	-	85,473								
Edward J. Schwartz FB-CT (CA0167)														
Appeals Court	10	10	-	-	6,180	6,180	10	-	-	6,180	-	-	6,180	6,180
Circuit Library	3	3	4,920	134	1,733	6,787	3	4,920	134	1,733	4,920	134	1,733	6,787
District Court	45	45	22,130	-	69,532	91,662	45	22,130	-	69,532	22,130	-	69,532	91,662
Magistrate Court	25	25	2,536	-	19,050	21,586	25	2,536	-	19,050	2,536	-	19,050	21,586
District Court Clerk	3	3	182	-	168	350	3	182	-	168	182	-	168	350
Grand Jury	3	3	1,686	-	1,748	3,434	3	1,686	-	1,748	1,686	-	1,748	3,434
DHS (CIS) ²	100	100	20,671	-	32	20,703	100	20,671	-	32	20,671	-	32	20,703
DHS-ICE	202	202	41,420	681	6,210	48,311	500	68,320	2,500	15,452	68,320	2,500	15,452	86,272
Federal Protective Service	9	9	1,996	-	-	1,996	25	3,512	195	1,163	3,512	195	1,163	4,870
JD US Trustee	-	-	-	-	-	-	19	4,679	-	2,184	4,679	-	2,184	6,863
DHS US Customs & Border Protection	6	6	287	-	234	521	3	521	3	521	521	-	521	521
GSA FAS Telecommunications Facilities	1	1	562	-	-	562	1	562	1	562	562	-	562	562
Federal Bureau of Investigation	1	1	153	-	-	153	1	153	1	153	153	-	153	153
FAS, All Other	1	1	201	-	-	201	1	201	1	201	201	-	201	201
Internal Revenue Service	27	27	5,824	387	-	6,211	27	5,824	387	6,211	5,824	387	6,211	6,211
Office Of U.S. Attorneys ¹	320	320	84,751	3,944	12,988	101,683	373	104,611	3,944	13,213	104,611	3,944	13,213	121,768
GSA PBS Field Office & San Diego Service Ctr ³	15	15	5,786	1,291	-	7,077	-	-	-	-	-	-	-	-
Treasury IG for Tax Administration (ITGTA) ⁴	3	3	445	-	-	445	5	499	-	200	499	-	200	699
US Marshals Service	52	52	10,331	4,429	19,831	34,591	52	10,331	4,429	19,831	10,331	4,429	19,831	34,591
US Tax Court	3	3	128	-	434	562	3	562	3	562	562	-	562	562
Joint Use	15	15	13,972	326	5,173	19,471	15	13,972	326	5,173	13,972	326	5,173	19,471
Vacant space	-	-	86,003	2,968	12,268	101,238	-	38,197	981	1,100	38,197	981	1,100	40,278
Subtotal:	844	844	303,984	14,160	155,581	473,724	1,214	303,635	12,896	157,193	303,635	12,896	157,193	473,724

	Personnel			Current			Proposed			
	Office	Total	Special	Usable Square Feet (USF)			Usable Square Feet (USF)			
				Office	Storage	Total	Office	Storage	Special	Total
Special Space										
ADP										1,473
Conference										17,916
Courtroom										46,119
Food Service										5,510
Holding Cell										21,103
Judicial Chambers										42,917
Judicial Hearing										2,890
Laboratory										1,438
Law Enf. Legal, Commo										4,656
Mail Rooms										500
Physical Fitness										2,356
Restrooms										6,994
Sally Port, USMS										1,754
SCIF										1,050
Secured Circulation										367
Vaults										150
Total:										157,193

¹US Attorney's move into Schwartz funded by tenants via RWA.
²While DHS CIS is reflected in proposed, it should be noted tenant is in process of going into leased space.
³GSA Field Office Relocating into Courthouse Annex.
⁴TIGTA will be relocating within the building to accommodate the ICE consolidation.

FY 2014 Prospectus Project for ICE (\$19,729,000 in Spend Plan)
 Consolidation - Moves as part of FY 14 Consolidation

Office Utilization Rate ⁵	Personnel	
	Current	Proposed
Building Office Tenants (excluding Judiciary, Congress, and agencies with less than 10 employees)	186	147
All Building Office Tenants (including Judiciary, Congress, and agencies with less than 10 employees)	201	171

Current Office UR excludes 21,561 usf of office support space. Proposed Office UR excludes

Current Office UR excludes 86,003 USF of vacant and 47,955 usf of office support space.

Total Building USF Rate ⁶	Personnel	
	Current	Proposed
Building Tenants (excluding Judiciary, Congress, and agencies with less than 10 employees)	323	239
All Building Tenants (including Judiciary, Congress, and agencies with less than 10 employees)	561	390

⁵ Office Utilization Rate = total office space available for office personnel. UR calculation excludes office support space USF.
⁶ Total Building USF Rate = total building USF (office, storage, special) available for all building occupants (office, and non-office personnel).

NOTES:



Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, III
Ranking Member

Christopher P. Bertram, Staff Director

AMENDED COMMITTEE RESOLUTION

James H. Zoia, Democrat Staff Director

ALTERATION
HARRY S. TRUMAN BUILDING
WASHINGTON, DC
PDC-0046-WA14

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, appropriations are authorized for the final phase of the multi-phase modernization of approximately one-half of the Harry S. Truman (Main State) Building located at 2201 C Street, NW in Washington, D.C., including demolition and build out of the North Court area and the replacement of all HVAC, electrical and plumbing systems, the installation of a fire sprinkler system and replacement of elevators, at an additional estimated construction cost of \$23,962,000 and an additional management and inspection cost of \$1,577,000 for a total additional estimated project cost of \$25,539,000, a prospectus for which is attached to and included in this resolution. This resolution authorizes the prospectus as amended by the revised Housing Plan dated August 2014. This resolution amends amounts authorized in the Committee on Transportation and Infrastructure resolution of August 1, 1996.

Provided, that the General Services Administration shall not delegate to any other agency the authority granted by this resolution.

Adopted: September 17, 2014

Bill Shuster, M.C.
Chairman

**AMENDED PROSPECTUS - ALTERATION
HARRY S. TRUMAN BUILDING
WASHINGTON, DC**

Prospectus Number: PDC-0046-WA14

FY2014 Project Summary

The General Services Administration (GSA) proposes the final phase of a multi-phase modernization of approximately one-half of the Harry S. Truman (Main State) Building, located at 2201 C Street, NW, Washington, DC. Alterations under this phase involve demolition and build out of the North Court area and the replacement of all HVAC, electrical and plumbing systems, the installation of a fire sprinkler system and replacement of the elevators.

This request amends prospectus PDC-00464, the last prospectus approved in support of the modernization of the Department of State Headquarters, a project that has spanned several decades with the design started in FY1991 and a revised construction completion anticipated for FY2016.

FY2014 Appropriation Requested¹

(Phase V - ECC and M & I)\$58,908,000

FY2014 Committee Approval Requested²\$25,539,000

Major Work Items (Phase V)

Interior construction, HVAC, electrical and plumbing system replacement, fire protection upgrades, conveyance systems, exterior construction, demolition and abatement, special construction

Project Budget

Design

Phase I (FY88)	\$3,650,000
Phase II (FY91)	2,216,000
Phase III (FY95)	980,000
Phase IV (FY96)	985,000
Phase IVa (FY07)	2,900,000
Phase V (FY09 ARRA)	<u>4,435,000</u>
Total Design	\$15,166,000

¹ Estimated Total Project Costs: \$184,611,000, Appropriations to Date Received: \$125,713,000

² Estimated Total Project Costs: \$184,611,000, Committee Approvals to Date Received: \$144,337,000

**AMENDED PROSPECTUS - ALTERATION
HARRY S. TRUMAN BUILDING
WASHINGTON, DC**

Prospectus Number: PDC-0046-WA14

Estimated Construction Cost (ECC)

Phase I (FY99)	\$27,756,000
Phase II (FY00)	9,768,000
Phase III (FY01)	26,835,000
Phase IV (FY03)	27,190,000
Phase IVa (FY07)	1,616,000
Phase IV (FY09 ARRA)	10,300,000
Phase V (FY14)	<u>55,808,000</u>
Total ECC	\$159,273,000

Management and Inspection (M&I)

Phase I (FY99)	\$2,023,000
Phase II (FY00)	743,000
Phase III (FY01)	1,940,000
Phase IV (FY03)	2,253,000
Phase IVa (FY07)	113,000
Phase V (FY14)	<u>3,100,000</u>
Total M&I	\$10,172,000

Estimated Total Project Cost (ETPC)*\$184,611,000

*Tenant agencies may fund an additional amount for alterations above the standard normally provided by the GSA.

FY2014 Appropriation Requested

(Phase V - ECC and M & I)\$58,908,000

FY2014 Committee Approval Requested\$25,539,000

<u>Schedule</u>	<u>Start</u>	<u>End</u>
Design	FY1991	FY2011
Construction		
Phase I	FY1999	FY2005
Phase II	FY2000	FY2005
Phase III	FY2003	FY2005
Phase IV	FY2008	FY2012
Phase IVa	FY2008	FY2012
Phase V	FY2014	FY2016

**AMENDED PROSPECTUS - ALTERATION
HARRY S. TRUMAN BUILDING
WASHINGTON, DC**

Prospectus Number: PDC-0046-WA14

Building

The Harry S Truman building is located at 2201 C Street, NW, Washington, DC. The original portion of the State Department Building, the "Old War Building", was completed in 1938. It was originally constructed for the War Department, and is listed on the National Register of Historic Places. An addition, "New State", was constructed in 1960. The building provides approximately 2.6 million gross square feet of administrative and support spaces for the Department of State personnel and associated functions and has 905 inside parking spaces on the site.

Tenant Agencies

Department of State

Proposed Project

GSA is seeking to continue the on-going multi-phased modernization of the Harry S Truman (Main State) Building. The modernization project for the Main State Department was submitted and approved August 1, 1996.

Phase V work will include demolition and build-out of the west section of the North Court area. The build-out will include replacing all HVAC systems, electrical and plumbing systems, installing an automatic fire sprinkler system with fire pumps, replacing the elevators, and providing all new office and support spaces. In addition, technology has become more efficient since the construction documents were finished, so HVAC and electrical systems will be modified to take advantage of new efficiencies.

Major Work Items (Phase V)

Demolition and Abatement	\$9,787,000
Special Construction	1,233,000
Exterior Construction	3,019,000
Interior Construction	12,197,000
Conveyance Systems	9,034,000
Plumbing Replacement	871,000
HVAC Replacement	10,644,000
Fire Protection Upgrades	3,212,000
Electrical Systems Replacement	<u>5,811,000</u>
Total ECC (Phase V)	\$55,808,000

**AMENDED PROSPECTUS - ALTERATION
HARRY S. TRUMAN BUILDING
WASHINGTON, DC**

Prospectus Number: PDC-0046-WA14

Justification

The proposed project will mitigate fire and life safety risks to the building occupants by providing sprinkler protection and additional means of building egress.

Obsolete systems will be replaced and upgraded in order to reduce the chances of system failure, sustained outages and labor intensive maintenance and operations costs. The mechanical and electrical systems were the original equipment dating from the 1940s and were outdated, undersized, and under capacity for current demands. Maintenance of these obsolete systems was labor intensive, resulting in frequent and prolonged inconvenience to the tenants and effective mission accomplishment.

The project will also address security requirements through wall hardening, progressive collapse mitigation, and blast window installation. While these security improvements are being largely funded by State rather than this prospectus, however the work must be coordinated for construction efficiency and to reduce taxpayer cost.

This prospectus provides for additional authority as a result of escalation of construction costs to complete Phase V.

Summary of Energy Compliance

This project will be designed to conform to requirements of the Facilities Standards for the Public Buildings Service and will implement strategies to meet the Guiding Principles for High Performance and Sustainable Buildings. GSA encourages design opportunities to increase energy and water efficiency above the minimum performance criteria.

Prior Appropriations

Harry S. Truman Prior Appropriations			
Public Law	Fiscal Year	Amount	Purpose
100-202	1988	\$3,650,000	Design
101-509	1991	\$2,216,000	Design
103-329	1995	\$980,000	Design
104-52	1996	\$985,000	Design
105-277	1999	\$29,779,000	Phase I ECC & M&I
106-58	2000	\$10,511,000	Phase II ECC & M&I

**AMENDED PROSPECTUS - ALTERATION
HARRY S. TRUMAN BUILDING
WASHINGTON, DC**

Prospectus Number: PDC-0046-WA14

106-554	2001	\$28,775,000	Phase III ECC & M&I
108-7	2003	\$29,443,000	Phase IV ECC & M&I
110-5	2007	\$4,629,000	Phase IV Add'l Design, ECC & M&I
111-5 (ARRA)	2009	\$14,735,000	Phase V Design, Phase IV ECC
Appropriations to Date		\$125,703,000	

Prior Committee Approvals

Harry S. Truman Prior Committee Approvals			
Committee	Date	Amount	Purpose
House PWT	6/3/1987	\$3,650,000	Design
House PWT	6/28/1990	\$2,216,000	Design
Senate EPW	6/12/1990	\$2,216,000	Design
House T & I	8/1/1996	\$138,471,000	Add'l Design, ECC &M&I
Senate EPW	7/24/1996	\$138,471,000	Add'l Design ECC & M&I

Prior Prospectus-Level Projects in Building (past 10 years)

None

Alternatives Considered (30 year, present value cost analysis)

This project is a multi-year, multi-phased project. GSA is in the process of renovating the building therefore, there are no other feasible alternatives.

**AMENDED PROSPECTUS - ALTERATION
HARRY S. TRUMAN BUILDING
WASHINGTON, DC**

Prospectus Number: PDC-0046-WA14

Recommendation

ALTERATION

Certification of Need

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

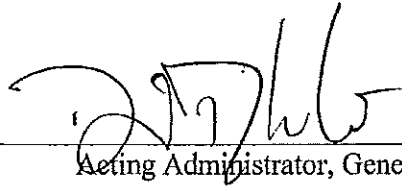
Submitted at Washington, DC, on April 4, 2013

Recommended:



Commissioner, Public Buildings Service

Approved:



Acting Administrator, General Services Administration

Housing Plan
Harry S. Truman Building

Locations	CURRENT - Phase V				PROPOSED - Phase V			
	Personnel		Usable Square Feet (USF) ¹		Personnel		Usable Square Feet (USF)	
	Office	Total	Office	Special	Office	Total	Office	Special
Harry S. Truman Building	839	839	162,266	13,832	935	178,748	137,485	23,768
Phase V (FY 2014)	839	839	162,266	13,832	935	178,748	137,485	23,768
Total								

Office Utilization Rate ² Phase V		USF
Current	151	8,743
Proposed	115	1,087
Total		13,938

Current Office UR excludes 35,699 usf of office support space.
Proposed Office UR excludes 30,247 usf of office support space.

Total Building USF Rate ³ Phase V		USF
Current	213	13,938
Proposed	174	23,768

agencies with less than 10 employees)

Locations	CURRENT - Phases I thru 5 and Balance of Building				PROPOSED - Phases I thru 5 and Balance of Building			
	Personnel		Usable Square Feet (USF) ¹		Personnel		Usable Square Feet (USF)	
	Office	Total	Office	Special	Office	Total	Office	Special
Harry S. Truman Building	885	885	250,861	37,040	1,032	302,359	233,725	71,435
Phases I through III	512	512	121,205	32,100	638	179,355	96,541	59
Phase IV	839	839	162,266	13,832	935	178,748	137,485	23,768
Phase V	2,236	2,236	534,332	82,972	2,605	660,462	467,751	170,278
Subtotal Phases I - V	3,231	3,231	755,085	147,639	2,605	907,260	467,751	170,278
Balance of Building (future project)	5,467	5,467	1,289,417	230,611	1,567,722			
Total								

Office Utilization Rate ² - Phases I-V		USF
Current	186	117,553
Proposed	140	117,553

Current Office UR excludes 117,553 usf of office support space.

Total Building USF Rate ³ Phase I-V		USF
Current	295	1,525
Proposed	248	4,662

Special Space		USF
Auditorium/Conference/Exhibit		35,015
Kitchen		44,807
Computer/Telephone		16,424
Retail/Fitness/Medical		7,891
Print Plant		12,316
Outlease		27,097
Communication Equipment Rooms		1,525
SCIF/Vault/Watch		4,662
Work Room/Files		20,541
Total		170,278

NOTES:
¹ USF means the portion of the building available for use by a tenant's personnel and furnishings and space available jointly to the occupants of the building.
² Office Utilization Rate = total office space available for office personnel. UR calculation excludes office support space USF.
³ Total Building USF Rate = total building USF (office, storage, special) available for all building occupants (office, and non-office personnel).



**Committee on Transportation and Infrastructure
U.S. House of Representatives**

**Bill Shuster
Chairman**

Washington, DC 20515

**Nick J. Rahall, III
Ranking Member**

Christopher P. Bertram, Staff Director

COMMITTEE RESOLUTION

James H. Zoia, Democrat Staff Director

**SITE AND CONSTRUCTION
FEDERAL BUREAU OF INVESTIGATION
WINCHESTER, VA
PVA-FBSC-FR14**

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, appropriations are authorized for the site and construction of a 256,425 gross square foot facility in Winchester, Virginia for the Federal Bureau of Investigation to support its current and future critical record management space needs at a site cost of \$6,750,000, an estimated construction cost of \$85,543,000 and a management and inspection cost of \$5,560,000 for a total estimated project cost of \$97,853,000, a prospectus for which is attached to and included in this resolution as amended by this resolution.

Provided, that the General Services Administration shall not delegate to any other agency the authority granted by this resolution.

Provided further, that the delineated area of the procurement shall include Frederick County, Virginia and the City of Winchester, Virginia.

Adopted: September 17, 2014

**Bill Shuster, M.C.
Chairman**

**PROSPECTUS - SITE & CONSTRUCTION
FEDERAL BUREAU OF INVESTIGATION
CENTRAL RECORDS COMPLEX
WINCHESTER, VA**

Prospectus Number: PVA-FBSC-FR14
Congressional District: 10

FY2014 Project Summary

The General Services Administration (GSA) proposes the site acquisition and construction of a 256,425 gross square foot (gsf) facility in Winchester, Virginia for the Federal Bureau of Investigation (FBI). This facility will support the FBI's current and future critical record management space needs.

FY2014 House Committee Approval Requested

(Site, Construction and M&I).....\$108,726,000

FY2014 Senate Committee Approval Requested

(Construction and M&I)\$11,666,000

FY2014 Appropriation Requested

(Site, Construction and M&I).....\$108,726,000

Overview of Project

GSA proposes the design of a new Records Management Facility on an approximately 108-acre site, to be acquired by GSA in Winchester, Virginia. The facility will consolidate FBI's paper records currently housed within the Washington DC metropolitan area, at field offices across the country and in several national information technology centers. The facility will also provide for National Archives and Records Administration (NARA) compliant records storage for environmentally conditioned, fire-protected space in a secured facility. The proposed facility includes a record management building with office support, visitor screening center, secured service center, guard booth, and surface parking lot.

**PROSPECTUS - SITE & CONSTRUCTION
FEDERAL BUREAU OF INVESTIGATION
CENTRAL RECORDS COMPLEX
WINCHESTER, VA**

Prospectus Number: PVA-FBSC-FR14
Congressional District: 10

Description

Site Information
To Be Acquired..... 108 acres

Building Area
Building without Parking.....256,425 gsf
Building with Parking.....256,425 gsf
Number of outside parking spaces.....427

Project Budget

Site Acquisition.....\$7,500,000
Design and Review*
Estimated Construction Cost (ECC) (\$371 /gsf)95,048,000
Management and Inspection (M&I).....6,178,000
Estimated GSA Total Project Cost (ETPC)\$108,726,000**

* Tenant agency is funding the design
** Tenant agency may fund an additional amount for alterations above the standard normally provided by the GSA.

FY2014 House Committee Approval Requested
(Site, Construction and M&I).....\$108,726,000

FY2014 Senate Committee Approval Requested
(Construction and M&I)\$11,666,000

FY2014 Appropriation Requested
(Site, Construction and M&I).....\$108,726,000

Location

Winchester, Virginia

**PROSPECTUS - SITE & CONSTRUCTION
FEDERAL BUREAU OF INVESTIGATION
CENTRAL RECORDS COMPLEX
WINCHESTER, VA**

Prospectus Number: PVA-FBSC-FR14
Congressional District: 10

<u>Schedule</u>	<u>Start</u>	<u>End</u>
Construction	FY2014	FY2016

Tenant Agencies

Federal Bureau of Investigation

Justification

Records management is crucial to the operations of the FBI. Many of the FBI records, which are an integral part of investigations, prosecutions and intelligence analyses the agency conducts, are currently primarily in paper form and dispersed throughout hundreds of locations nationwide.

The proposed centralized facility will promote timely access of FBI records to agents and analysts around the world; support FBI's long-term goal of converting applicable files into electronic, searchable format; provide a secure environment for FBI's valuable intellectual property; reduce records space requirements at FBI Field Offices redirecting field office positions to focus on FBI's operational mission; and enable greater consistency with NARA's Archive Standards as detailed in 36 CFR 1228 Subpart K. The proposed facility will also provide long term cost savings to the government.

To help FBI efficiently achieve its mission critical record management functions, GSA is proposing to utilize a more technologically advanced storage system known as an Automated Storage and Retrieval System (ASRS). ASRS, an automated and mechanized structure integral to the facility for moving files into storage locations and retrieving them when needed is proving to be a successful system in manufacturing, archival, security, food and beverage operations as well as conventional warehousing.

GSA and FBI have been partnering on this effort for several years. As part of its FY2006 Capital Investment and Leasing Program, GSA submitted a prospectus and received authorization to lease 947,000 rsf of space for 20 years. GSA subsequently amended that request as part of the GSA's FY2008 Capital Investment and Leasing Program in a prospectus for 626,488 rsf that was authorized by the Senate Committee on Environment and Public Works and the House Committee on Transportation and Infrastructure on December 18, 2007 and January 16, 2008, respectively. However, due to market conditions and the specialized nature of the space, GSA was unable to successfully award a lease. In 2010, the FBI determined that the number one priority was the Central Records Complex (CRC) portion of the project. It was decided that the best way to move forward with meeting FBI's long term need for its mission critical record management operation was through federal construction of the records management portion of the originally proposed project. This project was proposed as part of GSA's FY2012 Capital

**PROSPECTUS - SITE & CONSTRUCTION
FEDERAL BUREAU OF INVESTIGATION
CENTRAL RECORDS COMPLEX
WINCHESTER, VA**

Prospectus Number: PVA-FBSC-FR14
Congressional District: 10

Investment and Leasing Program. The Senate Committee on Environment and Public Works approved \$97,060,000 for the purpose of constructing FBI's CRC, but the funds have not been appropriated.

Summary of Energy Compliance

This project will be designed to conform to requirements of the Facilities Standards for the Public Buildings Service and will implement strategies to meet the Guiding Principles for High Performance and Sustainable Buildings. GSA encourages design opportunities to increase energy and water efficiency above the minimum performance criteria.

Prior Appropriations

None

Prior Committee Approvals

Federal Bureau of Investigation Central Records Complex Prior Committee Approvals			
Committee	Date	Amount	Purpose
Senate EPW	12/8/2011	\$97,060,000	Construction and M&I

Alternatives Considered (30-year, present value cost analysis)

New Construction\$104,223,000
Lease\$154,223,000

The 30 year, present value cost of new construction is \$49,421,000 less than the cost of lease, an equivalent annual cost advantage of \$2,789,000.

**PROSPECTUS - SITE & CONSTRUCTION
FEDERAL BUREAU OF INVESTIGATION
CENTRAL RECORDS COMPLEX
WINCHESTER, VA**

Prospectus Number: PVA-FBSC-FR14
Congressional District: 10

Recommendation

CONSTRUCTION

Certification of Need

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

Submitted at Washington, DC, on April 4, 2013

Recommended:



Commissioner, Public Buildings Service

Approved:



Acting Administrator, General Services Administration

Housing Plan
FBI Central Records Complex

PVA-FBSC-FR14
Winchester, VA

Locations	CURRENT						PROPOSED						
	Personnel		Usable Square Feet (USF)			Total	Personnel		Usable Square Feet (USF)			Total	
	Office	Total	Office	Records	Special		Office	Total	Office	Records	Special		
FBI Lensed Locations													
6305 Gravel Avenue, Alexandria, VA	5	5	750	27,730	-	28,480	-	-	-	-	-	-	-
883-927 S. Pickett Street, Alexandria VA	172	172	24,500	111,388	-	135,888	-	-	-	-	-	-	-
1025 F Street, NW, Washington, DC ²	27	27	7,176	-	-	7,176	-	-	-	-	-	-	-
170 Marcel Drive, Winchester, VA ³	173	173	22,093	-	-	22,093	-	-	-	-	-	-	-
Lease Subtotal	377	377	54,519	139,118	-	193,637	-	-	-	-	-	-	-
FBI Government-Owned Locations													
J. Edgar Hoover Building, Washington DC													
Records Management Division (RMD) ⁴	31	31	13,292	-	-	13,292	-	-	-	-	-	-	-
Government-Owned Subtotal	31	31	13,292	-	-	13,292	-	-	-	-	-	-	-
New FBI Central Record Complex													
Records Storage	-	-	-	-	-	-	-	401	44,195	92,609	41,297	178,101	-
Site Support Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	401	44,195	92,609	55,563	192,367	-
Total	408	408	67,811	139,118	-	206,929	-	408	44,195	92,609	55,563	192,367	-

Office Utilization Rate (UR)	
Current	130
Proposed	86

UR-average amount of office space per person
 Current UR excludes 14,753 usf of office support space
 Proposed UR excludes 9,723 usf of office support space

NOTES:

- ¹ USF means the portion of the building available for use by a tenant's personnel and furnishings and space available jointly to the occupants of the building.
- ² Upon completion of the Central Records Complex, 27 persons located at 1025 F Street, NW will relocate to the new facility. FBI will continue their leasehold at 1025 F Street, NW for non records management personnel and operations.
- ³ Upon completion of the Central Records Complex, 173 persons located at 170 Marcel Drive will relocate to the new facility. FBI will continue their other records management personnel and operations (FOIA and National Name Check) at 170 Marcel Drive (633 personnel and 102,931 usf).
- ⁴ RMD will retain primary executive office space and space for on-site scanning at FBIHQ.

Special Space	USF
Food Service/Break Rooms	1,848
Disintegrator Room	1,330
Conference/Training	5,201
Document Labs	28,795
ADP	4,123
Site Security Buildings	14,266
Total	55,563



**Committee on Transportation and Infrastructure
U.S. House of Representatives**

**Bill Shuster
Chairman**

Washington, DC 20515

**Nick J. Rahall, III
Ranking Member**

COMMITTEE RESOLUTION

Christopher P. Bertram, Staff Director

James H. Zoia, Democrat Staff Director

**LEASE
DEPARTMENT OF STATE
NORTHERN VIRGINIA
PVA-02-WA15**

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, appropriations are authorized for a replacement lease of up to 343,000 rentable square feet of space, including 26 official parking spaces, for the Department of State to collocate the Bureau of Overseas Buildings Operations and the Bureau of Administration, Acquisitions and Logistics Management currently located at 1701 N. Ft. Myer Drive and 1735 N. Lynn Street, respectively, in Arlington, Virginia, at a proposed total annual cost of \$13,377,000 for a lease term of up to 15 years, a prospectus for which is attached to and included in this resolution.

Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to the execution of the new lease.

Provided that, the Administrator of General Services and tenant agencies agree to apply an overall utilization rate of 182 square feet or less per person.


Provided that, except for interim leases as described above, the Administrator may not enter into any leases that are below prospectus level for the purposes of meeting any of the requirements, or portions thereof, included in the prospectus that would result in an overall utilization rate of 182 square feet or higher per person.

Provided that, to the maximum extent practicable, the Administrator shall include in the lease contract(s) a purchase option that can be exercised at the conclusion of the firm term of the lease.

Provided further, that the Administrator shall require that the delineated area of the procurement is identical to the delineated area included in the prospectus, except that, if the Administrator determines that the delineated area of the procurement should not be identical to the delineated area included in the prospectus, the Administrator shall provide an explanatory statement to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Provided further, that the General Services Administration shall not delegate to any other agency the authority granted by this resolution.

Adopted: **September 17, 2014**


Bill Shuster, M.C.
Chairman

**PROSPECTUS – LEASE
DEPARTMENT OF STATE
NORTHERN VIRGINIA**

Prospectus Number: PVA-02-WA15
Congressional District: 8

Project Summary

The General Services Administration (GSA) proposes a replacement lease of up to 343,000 rentable square feet of space for the Department of State (DOS) to collocate the Bureau of Overseas Buildings Operations (OBO) and the Bureau of Administration, Acquisitions and Logistics Management (ALM). OBO is currently housed at 1701 N. Ft. Myer Drive and ALM at 1735 N. Lynn Street, Arlington, VA, under leases that expire June 30, 2014 and December 19, 2015. DOS proposes to improve its office and overall utilization rates from 134 to 100 usable square feet (USF) per person and 201 to 182 USF per person, respectively, by housing an additional 148 personnel in the same amount of usable space as the total of its current occupancies.

Description

Occupant:	DOS
Lease Type:	Replacement
Current Rentable Square Feet (RSF):	320,313 (Current RSF/USF = 1.12)
Proposed Maximum RSF ¹ :	343,000 (Proposed RSF/USF = 1.20)
Expansion Space RSF:	None
Current Usable Square Feet/Person:	201
Proposed Usable Square Feet/Person:	182
Proposed Maximum Lease Term:	15 years
Expiration Date(s) of Current Lease(s):	6/30/2014 and 12/19/2015
Delineated Area:	Rosslyn/Ballston, Crystal City/Pentagon City, VA
Number of Official Parking Spaces ² :	26
Scoring:	Operating lease
Maximum Proposed Rental Rate ³ :	\$39.00

¹ The RSF/USF at the current locations is approximately 1.12; however, to maximize competition a RSF/USF ratio of 1.2 is used for the proposed maximum RSF as indicated in the housing plan.

² DOS security requirements may necessitate control of the parking at the leased location. This may be accomplished as a lessor-furnished service, under an operating agreement with the lessor, or as part of the Government's leasehold interest in the building(s).

³ This estimate is for fiscal year 2015 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 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 negotiating this lease extension to ensure that lease award is made in the best interest of the government. Lease award shall not exceed the maximum rental rate as specified in this prospectus:

**PROSPECTUS – LEASE
DEPARTMENT OF STATE
NORTHERN VIRGINIA**

Prospectus Number: PVA-02-WA15

Congressional District: 8

Proposed Total Annual Cost ⁴ :	\$13,377,000
Current Total Annual Cost:	\$11,727,871 (leases effective July 1, 2004 and December 20, 2012)

Acquisition Strategy

In order to maximize flexibility to acquire space that will house DOS and meet its requirements, GSA may issue a single, multiple award solicitation that will allow offerors to provide blocks of space to meet the requirements in whole or in part. All offers must provide space consistent with the delineated area defined by this prospectus.

Justification

The Bureau of Overseas Building Operations (OBO) and the Bureau of Administration's Acquisitions and Logistics Management (ALM) are the primary DOS occupants of space leased at 1701 N. Ft. Myer Drive and 1735 N. Lynn Street, Arlington, VA under leases that expire on June 30, 2014 and December 19, 2015. OBO and ALM will require continued housing to carry out their missions.

OBO directs the worldwide overseas buildings program for the DOS and the U.S. Government community serving abroad under the authority of the chiefs of mission. In concert with other DOS, foreign affairs agencies, and Congress, OBO sets worldwide priorities for the design, construction, acquisition, maintenance, use, and sale of real property and the use of sales proceeds.

OBO and ALM work extensively together and with the nearby Bureau of Diplomatic Security. The three bureaus are responsible for the operations and security of all of DOS's 19,000 plus assets worldwide and collaborate daily to support DOS's 260 plus embassies and consulates worldwide.

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.

⁴ Any new lease may contain an annual escalation clause to provide for increases or decreases in real estate taxes and operating costs.

PROSPECTUS – LEASE
DEPARTMENT OF STATE
NORTHERN VIRGINIA

Prospectus Number: PVA-02-WA15
Congressional District: 8

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

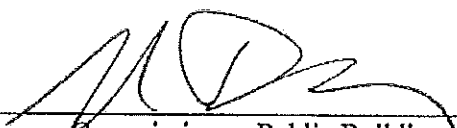
GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the new lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

Certification of Need

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

Submitted at Washington, DC, on June 30, 2014

Recommended:



Commissioner, Public Buildings Service

Approved:



Administrator, General Services Administration

Housing Plan
Department of State

Leased Locations	Personnel				Current				Proposed			
	Office		Total		Office		Total		Office		Total	
	Office	Total	Office	Total	Office	Total	Office	Total	Office	Total	Office	Total
1701 N. Ft. Meyer Drive, Arlington, VA	1,198	1,198	208,782	248,531	2,486	37,283	248,531					
1735 N. Lynn Street, Arlington, VA	219	219	35,261	36,839	378	1,200	36,839					
Proposed Lease, Northern VA	1,417	1,417	244,043	285,390	2,864	38,483	285,390			1,565	199,773	285,390
Total										1,565	199,773	285,390

Office Utilization Rate (UR) ²		
Rate	Current	Proposed
	134	100

UR=average amount of office space per person
 Current UR excludes 53,689 usf of office support space
 Proposed UR excludes 43,950 usf of office support space

Overall UR ³		
Rate	Current	Proposed
	201	182

R/U Factor ⁴			
	Total USF	RSF/USF	Max RSF
Current	285,390	1.12	320,313
Proposed	285,390	1.20	343,000

NOTES:

¹USF means the portion of the building available for use by a tenant's personnel and furnishings and space available jointly to the occupants of the building.

²Calculation excludes Judiciary, Congress and agencies with less than 10 people

³USF/Person = housing plan total USF divided by total personnel.

⁴R/U Factor = Max RSF divided by total USF

Special Space	USF
Conference	13,370
Training	12,329
ADP	8,476
File Rooms	9,246
Break Rooms	4,808
SCIFs	24,000
Security	2,311
Copy Rooms	2,015
Total	77,955



Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, III
Ranking Member

COMMITTEE RESOLUTION

Christopher P. Bertram, Staff Director

James H. Zoia, Democrat Staff Director

LEASE
DEPARTMENT OF EDUCATION
WASHINGTON, DC
PDC-05-WA15

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, appropriations are authorized for a replacement lease of up to 290,000 rentable square feet of space, including 17 official parking spaces, for the Department of Education currently located at 550 12th Street SW, 555 New Jersey Avenue NW, and 1990 K Street NW, in Washington, D.C., at a proposed total annual cost of \$14,500,000 for a lease term of up to 15 years, a prospectus for which is attached to and included in this resolution.

Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to the execution of the new lease.

Provided that, the Administrator of General Services and tenant agencies agree to apply an overall utilization rate of 180 square feet or less per person.

Provided that, except for interim leases as described above, the Administrator may not enter into any leases that are below prospectus level for the purposes of meeting any of the requirements, or portions thereof, included in the prospectus that would result in an overall utilization rate of 180 square feet or higher per person.

Provided that, to the maximum extent practicable, the Administrator shall include in the lease contract(s) a purchase option that can be exercised at the conclusion of the firm term of the lease.

Provided further, that the Administrator shall require that the delineated area of the procurement is identical to the delineated area included in the prospectus, except that, if the Administrator determines that the delineated area of the procurement should not be identical to the delineated area included in the prospectus, the Administrator shall provide an explanatory statement to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Provided further, that the General Services Administration shall not delegate to any other agency the authority granted by this resolution.

Adopted: September 17, 2014

Bill Shuster, M.C.
Chairman

**PROSPECTUS – LEASE
DEPARTMENT OF EDUCATION
WASHINGTON, DC**

Prospectus Number: PDC-05-WA15

Executive Summary

The General Services Administration (GSA) proposes a replacement lease of up to 290,000 rentable square feet (RSF) of space for the Department of Education (DoEd) in Washington, DC. This requirement is currently housed at three locations: 550 12th Street SW, 555 New Jersey Avenue NW, and 1990 K Street NW, in Washington, DC. Replacement of the leases will enable DoEd to provide continued housing for current personnel while meeting its mission requirements.

DoEd will improve its office utilization rate from 236 usable square feet (USF) per person to 128 USF per person and its overall utilization rate from 335 USF per person to 180 USF per person. In addition to the improved space utilization, the replacement lease will reduce the current requirement by 212,329 RSF.

Description

Occupant:	DoEd
Lease Type	Replacement
Current Rentable Square Feet (RSF)	502,329 (Current RSF/USF = 1.12)
Proposed Maximum RSF:	290,000 (Proposed RSF/USF = 1.20)
Expansion Space RSF ¹ :	Reduction (212,329) RSF
Current Usable Square Feet/Person:	335
Proposed Usable Square Feet/Person:	180
Proposed Maximum Leasing Authority:	15 years
Expiration Dates of Current Lease(s):	3/31/2014 - 550 12 th St. 3/10/2014 - 555 New Jersey Ave. 8/10/2013 - 1990 K St.
Delineated Area:	Washington, DC, CEA
Number of Official Parking Spaces:	17
Scoring:	Operating Lease
Maximum Proposed Rental Rate ² :	\$50.00

¹ The RSF/USF at the current location is approximately 1.12; however, to maximize competition, a RSF/USF ratio of 1.2 is used for the proposed maximum RSF as indicated in the housing plan.

² This estimate is for fiscal year 2017 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 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 a basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government. Lease award shall not exceed the maximum rental rate as specified in this prospectus.

**PROSPECTUS – LEASE
DEPARTMENT OF EDUCATION
WASHINGTON, DC**

Prospectus Number: PDC-05-WA15

Proposed Total Annual Cost ³ :	\$14,500,000
Current Total Annual Cost:	\$19,752,901 (leases effective 4/1/04, 3/11/01, 8/12/99)

Acquisition Strategy

In order to maximize the flexibility in acquiring space to house DoEd, GSA may issue a single, multiple award solicitation that will allow offerors to provide blocks of space able to meet the requirements in whole or in part. All offers must provide space consistent with the delineated area defined by this prospectus.

Justification

The three leases housing this requirement expired as follows and are in holdover: 550 12th St. SW on March 31, 2014; 1990 K St. NW on August 10, 2013; and 555 New Jersey Ave. NW on March 10, 2014; and DoEd requires continued housing to carry out its mission. The personnel housed in the leases at 1990 K St. and 555 New Jersey Ave were originally planning to move to the federally owned Mary Switzer Building. However, the Department of Health and Human Services now plans to fully occupy this building. The current leases will require interim extensions until FY 2017 when the long-term requirement can be executed. The proposed 290,000 RSF will house all DoEd functions and personnel in 212,329 RSF less than the total at the three current leases.

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 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 new lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

³ Any new lease may contain an annual escalation clause to provide for increases or decreases in real estate taxes and operating costs.


**PROSPECTUS - LEASE
DEPARTMENT OF EDUCATION
WASHINGTON, DC**


Prospectus Number: PDC-05-WA15

Certification of Need

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

Submitted at Washington, DC, on July 24, 2014

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Administrator, General Services Administration

April 2014

Housing Plan
Department of Education

PDC-05-WA15
Washington, DC

Locations	CURRENT				PROPOSED			
	Personnel		Usable Square Feet (USF) ¹		Personnel		Usable Square Feet (USF)	
	Office	Total	Office	Special	Office	Special	Storage	Special
Potomac Center, 550 12th St. SW	951	951	266,776	-	20,152	286,928		
Capital Place, 555 NJ Ave NW	88	88	50,667	8,261	58,928			
1990 K Street NW	301	301	88,823	14,060	102,883			
Proposed Lease								
Total	1,340	1,340	406,266	-	42,473	448,739	220,390	20,810

Office Utilization Rate (UR) ²		
Rate	Current	Proposed
	236	128

UR = average amount of office space per person
Current UR excludes 89,379 usf of office support space
Proposed UR excludes 48,486 usf of office support space

Overall UR ²		
Rate	Current	Proposed
	335	180

R/U Factor ⁴			
	Total USF	RSF/USF	Max RSF
Current	448,739	1.12	502,329
Proposed	241,200	1.20	290,000

Special Space	USF
Event/MultiMedia	8,648
Health Unit	1,683
Snack Bar	1,151
Breakroom	5,417
Lan Room	1,584
Video Telecon Center	1,745
Locker Room	580
Total	20,810

NOTES:

- ¹ USF means the portion of the building available for use by a tenant's personnel and furnishings and space available jointly to the occupants of the building.
- ² Calculation excludes Judiciary, Congress and agencies with less than 10 people
- ³ USF/Person = housing plan total USF divided by total personnel.
- ⁴ R/U Factor = Max RSF divided by total USF



Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, III
Ranking Member

COMMITTEE RESOLUTION

Christopher P. Bertram, Staff Director

James H. Zola, Democrat Staff Director

LEASE
FEDERAL BUREAU OF INVESTIGATION
BALTIMORE CITY AND BALTIMORE, ANNE ARUNDEL, AND HOWARD COUNTIES, MD
PMD-01-BC15

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, appropriations are authorized for a replacement lease of up to 155,755 rentable square feet of space, including 184 official parking spaces, for the Federal Bureau of Investigation in Baltimore City and Baltimore, Anne Arundel, and Howard Counties, MD to co-locate and reduce requirements currently located at 2600 Lord Baltimore Drive in Woodlawn, Maryland, 11700 Beltsville Drive in Beltsville, Maryland and 1520 Caton Center Drive in Catonsville, Maryland, at a proposed total annual cost of \$4,984,160 for a lease term of up to 20 years, a prospectus for which is attached to and included in this resolution.

Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to the execution of the new lease.

Provided that, the Administrator of General Services and tenant agencies agree to apply an overall utilization rate of 258 square feet or less per person.

Provided that, except for interim leases as described above, the Administrator may not enter into any leases that are below prospectus level for the purposes of meeting any of the requirements, or portions thereof, included in the prospectus that would result in an overall utilization rate of 258 square feet or higher per person.

Provided that, to the maximum extent practicable, the Administrator shall include in the lease contract(s) a purchase option that can be exercised at the conclusion of the firm term of the lease.

Provided further, that the Administrator shall require that the delineated area of the procurement is identical to the delineated area included in the prospectus, except that, if the Administrator determines that the delineated area of the procurement should not be identical to the delineated area included in the prospectus, the Administrator shall provide an explanatory statement to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Provided further, that the General Services Administration shall not delegate to any other agency the authority granted by this resolution.

Adopted: September 17, 2014

Bill Shuster, M.C.
Chairman

**PROSPECTUS – LEASE
FEDERAL BUREAU OF INVESTIGATION
BALTIMORE CITY AND BALTIMORE, ANNE ARUNDEL,
AND HOWARD COUNTIES, MD**

Prospectus Number: PMD-01-BC15
Congressional Districts: MD-2,3,7

Executive Summary

The General Services Administration (GSA) proposes a replacement lease of up to 155,755 rentable square feet (RSF) for the Federal Bureau of Investigation (FBI) in Baltimore City and Baltimore, Anne Arundel, and Howard Counties, MD, to co-locate and reduce requirements now housed in three separate leased locations. FBI is currently housed at 2600 Lord Baltimore Drive, Woodlawn, MD, and occupies additional leased space at 11700 Beltsville Drive, Beltsville, MD, and 1520 Caton Center Drive, Catonsville, MD. The current leases expire on July 1, 2014; January 24, 2016; and March 31, 2015, respectively. The FBI requirements housed in Beltsville and Catonsville included in this prospectus represent portions of the space leased at these locations; these leases will be superseded or restructured as appropriate to accommodate the remaining FBI requirements.

FBI will improve its office utilization rate from 145 usable square feet (USF) to 82 USF per person and its overall utilization rate from 381 USF to 258 USF per person. This will be accomplished by terminating almost 40,000 RSF at two leased locations and collocating the functions and employees under the replacement lease for the third location in a total of 155,755 RSF. The consolidated replacement lease at the proposed \$32.00 per RSF rental rate will save \$2,380,000 annually in lease costs and reduce FBI's leased footprint by almost 40,000 RSF relative to current occupancies.

Description

Occupant:	FBI
Lease Type	Replacement
Current Rentable Square Feet (RSF)	195,676 (Current RSF/USF = 1.12)
Proposed Maximum RSF:	155,755 (Proposed RSF/USF = 1.12)
Expansion/Reduction RSF:	39,921 RSF Reduction
Current Usable Square Feet/Person:	381
Proposed Usable Square Feet/Person:	258
Proposed Maximum Leasing Term:	20 years
Expiration Dates of Current Leases:	July 1, 2014; January 24, 2016; and March 31, 2015

**PROSPECTUS – LEASE
FEDERAL BUREAU OF INVESTIGATION
BALTIMORE CITY AND BALTIMORE, ANNE ARUNDEL,
AND HOWARD COUNTIES, MD**

Prospectus Number: PMD-01-BC15
Congressional Districts: MD-2,3,7

Delineated Area:	Begin intersection of the Baltimore County west boundary and Route 140, southeast continuing on Route 140 to I-695 North (Baltimore Beltway) to Route 140 Southeast, including all of Baltimore City, and south of I-695 to I-97 South to Route 100 West to Route 170 South to Route 32 West to I-295 North to Route 175 North to Route 29 North back to Baltimore County west boundary.
Number of Official Parking Spaces:	184
Scoring:	Operating Lease
Maximum Proposed Rental Rate ¹ :	\$32.00
Proposed Total Annual Cost ² :	\$4,984,160
Current Total Annual Cost:	\$7,364,362 (leases effective 7/2/2004, 4/1/05, and 1/25/06)

Justification

The current lease at 2600 Lord Baltimore Drive, Woodlawn, MD, expired on July 1, 2014, and FBI requires continued housing to perform its mission. To improve the efficiency of its proposed housing solution, FBI will reduce the amount of space leased at two other locations and house all personnel and functions under the replacement lease for 155,755 RSF.

¹ This estimate is for fiscal year 2015 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 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 a basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government. Lease award shall not exceed the maximum rental rate as specified in this prospectus.

² Any new lease may contain an annual escalation clause to provide for increases or decreases in real estate taxes and operating costs.

**PROSPECTUS – LEASE
FEDERAL BUREAU OF INVESTIGATION
BALTIMORE CITY AND BALTIMORE, ANNE ARUNDEL,
AND HOWARD COUNTIES, MD**

Prospectus Number: PMD-01-BC15
Congressional Districts: MD-2,3,7

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 will encourage 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 rentable area.

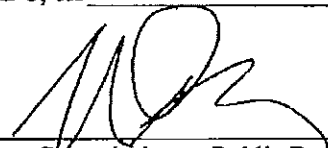
Interim Leasing

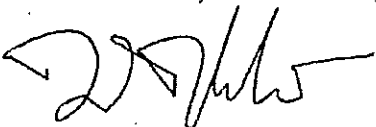
GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the new lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

Certification of Need

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

Submitted at Washington, DC, on July 24, 2014

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Administrator, General Services Administration

Leased Locations	Personnel			Current Usable Square Feet (USF) ¹			Proposed Usable Square Feet (USF)		
	Office	Total		Office	Storage	Special	Office	Storage	Special
			Total						
2600 Lord Baltimore Drive Woodlawn, MD	387	387	139,372	51,467	32,388	55,517			
11700 Beltsville Drive Beltsville, MD	35	35	27,200	27,200					
1520 Caton Center Drive Catonsville, MD			7,750						
Proposed Lease							487	32,388	55,517
Total	422	422	174,322	78,667	40,138	55,517	487	32,388	55,517

Office Utilization Rate (UR) ²	
Current	145
Proposed	82

UR = average amount of office space per person
 Current UR excludes 17,307 usf of office support space
 Proposed UR excludes 11,323 usf of office support space

Overall UR ³	
Current	381
Proposed	258

R/U Factor ⁴			
Current	Total USF	RSF/USF	Max RSF
	174,322	1.12	195,676
Proposed	139,372	1.12	155,755

NOTES:

- ¹USF means the portion of the building available for use by a tenant's personnel and furnishings and space available jointly to the occupants of the building.
- ²Calculation excludes Judiciary, Congress and agencies with less than 10 people
- ³USF/Person = housing plan total USF divided by total personnel. Vehicle Bays and Workbench are not included in calculation.
- ⁴R/U Factor = Max RSF divided by total USF

Special Space	USF
Restrooms	2,156
Health Unit	675
Physical Fitness	3,125
Conference/Training	15,824
Workbench	563
Vehicle Bays	13,094
Gun Vault	375
Disintegrator	375
Mail	688
Mug and Fingerprints	250
Breakroom	1,563
Processing	1,063
ADP	14,005
Generator	375
Loading Dock	750
Visitor Screening	638
Total	55,517



Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, III
Ranking Member

Christopher P. Bertram, Staff Director

COMMITTEE RESOLUTION

James H. Zola, Democrat Staff Director

LEASE
DEPARTMENT OF VETERANS AFFAIRS
SOUTH BEND, IN

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, a replacement lease of up to 96,394 rentable square feet of space, and 520 parking spaces, for the Department of Veterans Affairs to replace the existing Community Based Outpatient Clinic in South Bend, Indiana, at a proposed unserviced annual cost of \$3,466,615 for a lease term of up to 20 years, a prospectus for which, as amended by the respective section of the attached VA Lease Summaries, is attached to and authorized by this resolution.

Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to the execution of the new lease.

Provided that, to the maximum extent practicable, the lease contract(s) shall include a purchase option that can be exercised at the conclusion of the firm term of the lease.

Provided further, that the delineated area of the procurement is identical to the delineated area included in the prospectus and associated VA Lease Summary, except that, if it is determined that the delineated area of the procurement should not be identical to the delineated area included in the prospectus and associated VA Lease Summary, an explanatory statement shall be provided to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Adopted: **September 17, 2014**

Bill Shuster, M.C.
Chairman

**South Bend, Indiana
Outpatient Clinic Lease**

This proposal provides for leasing a replacement Outpatient Clinic in South Bend, IN, supporting the parent facility of the VA Northern Indiana Health Care System in Fort Wayne, IN.

I. Budget Authority

Lease Through 2034	2012 Request \$4,038,450	2012 Authorization Request \$4,038,450	Unserviced Annual Rent \$1,893,450

II. Description of Project

This project proposes the lease of an approximately 39,000 net usable square foot (NUSF) Outpatient Clinic facility in South Bend, Indiana. The new leased facility will replace the existing Community Based Outpatient Clinic (CBOC) in South Bend, and will enable VA to expand services provided to include outpatient primary care and mental health services to better serve the needs of Veterans and their families.

Approval of this prospectus will constitute authority for up to 20 years of leasing, as well as potential extension of the present lease as may be necessary pending execution of the replacement lease.

III. Priorities/Deficiencies Addressed

This lease addresses two critical issues that will enhance Veteran health care services in the South Bend area. First, the proposed facility will improve the quality of care delivered to Veterans by integrating outpatient care delivery, including primary care and mental health services, into a state-of-the-art building with improved adjacencies. Outpatient services currently contracted out to providers in the South Bend area will be provided at the new facility, allowing VA to have greater control over Veteran healthcare.

Second, the new facility will provide more accessible health care services to Veterans. The leased location will enable VA to expand its service offerings and improve access for Veterans who previously had to travel to other facilities, at a greater distance than the targeted 30-minute drive time, to obtain these outpatient services.

IV. Alternatives to Lease Considered

Alternative 1 - Status Quo: Under the Status Quo, VA would continue to provide limited outpatient services in the South Bend area through contracting out services and an arrangement to house four VA mental health providers at the contracted facility, resulting in decreased continuity of care and costly outsourcing expenses. In addition, the time Veterans spend traveling to the Fort Wayne VA Medical Center (VAMC) for care that is not provided locally suggests the status quo is not acceptable to meet customer satisfaction. Therefore, this alternative is not the most optimal.

Alternative 2 - New Lease (Preferred alternative): This alternative proposes leasing a 39,000 NUSF facility close to the Veteran population that the South Bend CBOC currently serves, and expanding the services currently provided. By pursuing the lease option, VA will provide infrastructure that supports increased integration of services, coordination of care, provider productivity and efficiency, patient satisfaction, compliance with clinical guidelines, access, safety and security. This alternative also provides expanded state-of-the-art clinical space sooner than the new construction alternative, and provides an option that will give VA more flexibility to respond to the changing healthcare needs of Veterans and their families.

Alternative 3 - Contract Out Services: This alternative assumes that all health care services would be contracted out in the community. This alternative is not cost-effective and would result in a loss of quality control over Veteran healthcare. There also may not be sufficient, qualified, private-sector providers in the South Bend area to accommodate the Veteran workload. Therefore, this alternative is the least preferred.

Alternative 4 - New Construction: This alternative assumes the construction of a new, outpatient primary care and mental health facility of approximately 39,000 NUSF. It would provide infrastructure that supports the increased integration of services, coordination of care, provider productivity and efficiency, patient satisfaction, compliance with clinical guidelines, access, safety and security. Flexibility to expand services or change location to better align with workload demand would be difficult in this alternative. In addition, this alternative would require VA to acquire land in the South Bend area for the facility; this not only increases the cost but would delay activation. Therefore, this alternative is the second preferred.

V. Demographic Data*

	<u>2009</u>	<u>2019</u>	<u>2029</u>	<u>Change</u> <u>2009-2029</u>
Veteran Population	72,766	57,938	45,839	-37%
Enrollees	24,007	27,132	24,870	4%

*Data reflects the VISN 11 Indiana Market

VI. Workload

	<u>Current</u> <u>(2009)</u>	<u>Projected</u> <u>(2029)</u>	<u>Change</u> <u>(2009-2029)</u>
Ambulatory Stops	15,836	20,821	317%
Mental Health Stops	3,150	5,133	63%

VI. Schedule

Award leases	January 2013
Complete construction	January 2015
Activation/Occupancy	March 2015

VII. Project Cost Summary

Estimated Annual Cost	\$1,893,450
Proposed Rental Rate*	\$48.55/SF
Proposed Lease Authority	20 Years
Net Usable Square Feet	39,000
Parking Spaces	312
Special Purpose Related Improvements**	\$2,145,000

*Estimate based on 2011 rates, and may be escalated by 4% annually to the effective date of the lease to account for inflation.

**Represents lump sum payment to Lessor to design and build out space for clinical use; not included in base rent.

VA Lease Summaries:

1. Rochester, NY - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 84,000 net usable square feet (nurf)/113,400 rentable square feet (rsf) with approximately 672 parking spaces. The annual unserviced rent is estimated at \$4,611,000. The Outpatient Clinic will provide primary care, women's health care, Operation Enduring Freedom/Operation Iraqi Freedom programs, mental health programs, homeless outreach, home-based primary care, surgical specialties, ambulatory surgery, endoscopy, geriatric care, dental clinic, laboratory, pathology, radiology, ancillary services and compensation and pension services.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Elmwood Avenue

South: Erie Station Road/E Henrietta Road/Goodburlet Road/Pinnacle Road/Reeves Road

East: Clover Street

West: W Henrietta Street

2. Mobile, AL - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 65,125 net usable square (nurf) feet/87,919 rentable square feet (rsf) with approximately 521 parking spaces. The annual unserviced rent is estimated at \$2,984,000. The lease will provide for administrative and clinic space consistent with VA CBOC requirements. Space will be allocated to the following general areas: audiology and speech pathology, care coordination home telehealth (CCHT), canteen, clinic administration, education, environmental management, eye clinic, home based primary care (HBPC), lab, medical administration, mental health, nursing, patient advocacy, pharmacy, primary care, radiology, surgical specialty clinics, and women's health.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Moffett Road

South: County Road 30 (Theodore Dawes Rd) and 26 (Hamilton Blvd)

East: County Road 163(Dauphin Island Parkway) to Government Blvd to

Houston St

West: County Road 31 (Schillinger Road)

3. Springfield, MO - Outpatient Clinic

The new Community Based Outpatient Clinic (CBOC) will accommodate 68,000 net usable square feet (nurf)/91,8000 rentable square feet (rsf) with approximately 544

parking spaces. The estimated annual unserviced rent is \$2,749,000. The new clinic will relocate and expand the existing 41,000 nuf Gene Taylor Community Based Outpatient Clinic from Mount Vernon, Missouri, where it currently serves over 17,000 unique Veterans. The new CBOC will continue to provide primary and specialty care, mental health and ancillary services. The new clinic will also provide sleep studies, radiology, Magnetic Resonance Imaging (MRI), laboratory, and dental services.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Sunshine Street
South: US Highway 60 (properties located up to ½ mile South of US 60 will be considered within the boundary)
East: US Highway 65
West: US Highway 160

4. South Bend, IN - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 71,403 net usable square feet (nuf)/96,394 rentable square feet (rsf). The estimated annual unserviced rent is \$3,466,515. This CBOC will replace and expand South Bend's outpatient services to meet increasing Veteran demand, and will include following medical services: primary care; women's health care; home-based primary care; nutrition; audiology; tele-eye care and optometry; urology; cardiology; dermatology; physical therapy; podiatry; pulmonary function; some ambulatory procedures such as colonoscopies, sigmoidoscopies, endoscopies, and other minor procedures; ancillary services – laboratory, pharmacy, basic radiology, and prosthetic dispensing; and Compensation & Physical (C&P) exams.

The South Bend lease was authorized by Public Law 112-37 in an amount not to exceed \$6,731,000. The lease increased from 39,000 nuf to 71,403 nuf from the time the prospectus was submitted and when the lease was authorized.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Indiana state border
East: Ash Road north extended to Ash Road
South: Tyler Road/North County Line Road to County Line Road to Tyler Road extended to Ash Road
West: North 900 East east on Route 2/Western Avenue south on Larrison Boulevard/Strawberry Road west on East 50 North/Johnson Road south on County Highway 1100 East extended to Willow Road extended to Willow Road to Adams Street east on Roosevelt Road northeast on Legion Drive southeast on Harrison Street north on Route 23/Liberty Street until Tyler Road/North County Line Road

5. San Jose, CA - Outpatient Clinic Lease

The new Community Base Outpatient Clinic (CBOC) will accommodate 72,000 net usable square feet (nurf)/97,200 rentable square feet (rsf) with approximately 572 parking spaces. The estimated annual unserviced rent is \$5,586,000. This project will replace the existing 72,000 nurf CBOC in San Jose, CA. The CBOC will provide primary care, mental health and specialty care, to include audiology, podiatry and optometry. The clinic will also provide ancillary and diagnostic services, to include general x-ray, laboratory, pharmacy and telehealth.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Route 87 (Guadalupe Parkway) to Charcot Avenue
East: I-880 to Highway 101 to Bernal Road
South: Route 85 to Cottle Road to Santa Teresa Boulevard to Highway 101
West: Route 17 to I-880 to Route 87 (Guadalupe Parkway)

6. Butler, PA - Health Care Center (HCC) Lease

The new Health Care Center (HCC) will accommodate 168,000 net usable square feet (nurf)/226,800 rentable square feet (rsf) with approximately 1,035 parking spaces. The estimated annual unserviced rent is \$6,582,000. This project will relocate outpatient services from the current Butler VA Medical Center (VAMC) to a leased build-to-suit HCC in the vicinity of Butler, PA. The new HCC will expand Butler's outpatient space to approximately 168,000 nurf to meet increased Veteran demand. This clinic will serve Veterans from the counties of Armstrong, Butler, Clarion, Lawrence and Mercer. This project will allow VA to continue to provide timely access to state-of-the-art primary care, specialty care, mental health and ancillary diagnostic services in a properly sized facility to meet increased workload.

Delineated area - The proposed site must be within a five (5) mile radius of Eagle Mill Road and Benjamin Franklin Highway (422)



**Committee on Transportation and Infrastructure
U.S. House of Representatives**

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, III
Ranking Member

COMMITTEE RESOLUTION

Christopher P. Bertram, Staff Director

James H. Zola, Democrat Staff Director

**LEASE
DEPARTMENT OF VETERANS AFFAIRS
SPRINGFIELD, MO**

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, a replacement lease of up to 91,800 rentable square feet of space, and 544 parking spaces, for the Department of Veterans Affairs for a Community Based Outpatient Clinic in Springfield, Missouri to replace the existing Gene Taylor Outpatient Clinic currently located in Mount Vernon, Missouri, at a proposed unserviced annual cost of \$2,749,240 for a lease term of up to 20 years, a prospectus for which, as amended by the respective section of the attached VA Lease Summaries, is attached to and authorized by this resolution.

Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to the execution of the new lease.

Provided that, to the maximum extent practicable, the lease contract(s) shall include a purchase option that can be exercised at the conclusion of the firm term of the lease.

Provided further, that the delineated area of the procurement is identical to the delineated area included in the prospectus and associated VA Lease Summary, except that, if it is determined that the delineated area of the procurement should not be identical to the delineated area included in the prospectus and associated VA Lease Summary, an explanatory statement shall be provided to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Adopted: September 17, 2014

Bill Shuster, M.C.
Chairman

**Springfield, Missouri
Community Based Outpatient Clinic**

This proposal provides for a replacement Community Based Outpatient Clinic in Springfield, MO, supporting the parent facility of the Veterans Health Care System of the Ozarks in Fayetteville, AR.

I. Budget Authority

Lease Through	2012 Request	2012 Authorization Request	Unserviced Annual Rent
2034	\$6,489,240	\$6,489,240	\$2,749,240

II. Description of Project

This project proposes the lease of an approximately 68,000 net usable square feet (NUSF) Community Based Outpatient Clinic (CBOC) in Springfield, Missouri, and will include 544 parking spaces. The new CBOC will relocate and expand the 41,000 NUSF Gene Taylor Outpatient Clinic from Mount Vernon, Missouri, where it currently serves over 17,000 unique Veterans. Due to budget limitation, the State of Missouri has elected to close the Missouri Rehabilitation Center (MRC) in Mount Vernon, where the current clinic is located, and will be unable to continue to support the current lease agreement. Moving the CBOC to Springfield, Missouri, will better support the Veterans Health Care System of the Ozarks' (VHSO) strategic initiatives. The new CBOC will continue to provide primary and specialty care, mental health and ancillary services. The new clinic will also provide sleep studies, radiology, Magnetic Resonance Imaging (MRI), laboratory, and dental services.

Approval of this prospectus will constitute authority for up to 20 years of leasing, as well as potential extension of the present lease as may be necessary pending execution of the replacement lease.

III. Priorities/Deficiencies Addressed

This lease addresses three critical priorities that will enhance Veteran healthcare services in the Springfield area.

First, it will improve Veteran access to services by locating the replacement CBOC in an area with higher Veteran population. The Upper Western Market of VISN 16 has a significant primary care access gap identified by the Health Care Planning Model. This project will increase the number of unique Veterans within the 30-minute drive time for primary care access by 6,750 Veterans.

Second, the new CBOC will increase clinical capacity for primary and specialty care, mental health and ancillary services, improving patient satisfaction through expanded services, shorter wait times and more timely appointments, and allow for space

configurations consistent with patient-centered care principles. Expanding the CBOC by approximately 27,000 NUSF will address the utilization gap in the Upper Western Market by approximately 308,000 outpatient visits in primary care, mental health, specialty, and ancillary services.

Third, the relocated and expanded CBOC will improve efficiency and lower operating costs. The functional relationships in the new space will provide a more efficient layout of departments and rooms. The new building envelope will be more energy efficient than the current MRC. In addition, direct yearly operating costs are expected to be reduced by \$2,550,000, including reduced beneficiary travel of \$500,000; reduced contracting of diagnostic services of \$1,900,000; and reduced contracting of sleep study services of \$150,000.

IV. Alternatives to Lease Considered

Alternative 1 - Status Quo: The status quo would continue to lease 41,000 NUSF for the Gene Taylor Outpatient Clinic in the MRC from the State of Missouri. This alternative would continue to contract out laboratory, radiology and sleep studies from the MRC. This option is not optimal for three reasons. First, the State of Missouri is proposing to close the MRC on June 30, 2011. In order to continue to support the existing lease, the MRC has proposed a surcharge to the existing lease of over \$1 million per year. This additional funding is needed to staff MRC facility operations after the facility is closed for state operations. Second, due to a significant utilization gap in the VISN 16 Upper Western Market, it is necessary to expand the Gene Taylor Outpatient Clinic to meet demand. Additional space is needed to support in-house laboratory and radiology functions that are currently purchased by contract from the MRC. Third, the existing space at MRC is inefficient. A complete renovation would be needed to bring the space into compliance with VA space planning criteria and life safety guidelines.

Alternative 2 - New Lease (Preferred alternative): This project proposes a build-to-suit lease of approximately 68,000 NUSF to expand and relocate the Gene Taylor Outpatient Clinic to Springfield, Missouri. There are several reasons why this option is the most preferred alternative. First, relocating to Springfield, Missouri would bring the clinic closer to the Veteran population and would reduce the access gap in the VISN 16 Upper Western Market by 6,750 Veterans. Second, the lease would provide additional space for the expansion of services that would reduce the Upper Western Market utilization gaps in primary care, mental health, and specialty care. It would also allow VA to bring in-house, at lower cost, ancillary services such as laboratory and radiology that are currently contracted out. Finally, a build-to-suit lease provides VA with the flexibility to adjust services based on changes in enrollment and Veteran demographics without the up-front investment needed in the new construction alternative.

Alternative 3 - Contract Out Services: This alternative would seek to contract out all services currently offered at the Gene Taylor Outpatient Clinic as well as the projected workload increase. Challenges for this option include maintaining quality of care across numerous contracts and providers and finding sufficient health care capacity in the community to absorb current and projected VA workload. Health care demand in the area has already stressed capacity of private sector resources; nine of 11 counties in the catchment area served by the Gene Taylor Outpatient Clinic are medically underserved. Therefore, this alternative is the least preferred.

Alternative 4 - New Construction: This alternative proposes to purchase 10 acres of land in the Springfield area and construct a 68,000 NUSF outpatient clinic. This alternative shares many of the benefits of the preferred lease alternative. First, relocating in Springfield, Missouri brings the clinic closer to the Veteran population and will reduce the access gap in the VISN 16 Upper Western Market by 6,750 Veterans. Second, the VA-owned facility would provide additional space for expansion of services to reduce the Upper Western Market utilization gaps in primary care, mental health, and specialty care and bring in-house, at lower cost, ancillary services such as laboratory and radiology that are currently contracted out. Third, this alternative will have a longer implementation timeline than the preferred lease option. Therefore, this alternative is the second preferred.

V. Demographic Data*

	<u>2009</u>	<u>2019</u>	<u>2029</u>	<u>Change (2009-2029)</u>
Veteran Population	617,288	530,662	458,005	-26%
Enrollees	241,581	289,825	288,180	19%

*Data reflects the VISN 16 Upper Western Market

VI. Workload

	<u>Current (2009)</u>	<u>Projected (2029)</u>	<u>Change (2009-2029)</u>
Ambulatory stops	103,367	141,962	37%
Mental Health stops	14,675	24,680	68%

VII. Schedule

Award leases	January 2013
Complete construction	January 2015
Activation/Occupancy	March 2015

VIII. Project Cost Summary

Estimated Annual Cost	\$2,749,240
Proposed Rental Rate*	\$40.43/SF
Proposed Lease Authority	20 Years
Net Usable Square Feet	68,000
Parking Spaces	544
Special Purpose Related Improvements**	\$3,740,000

*Estimate based on 2011 rates, and may be escalated by 4% annually to the effective date of the lease to account for inflation.

**Represents lump sum payment to Lessor to design and build out space for clinical use; not included in base rent.

VA Lease Summaries:

1. Rochester, NY - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 84,000 net usable square feet (nurf)/113,400 rentable square feet (rsf) with approximately 672 parking spaces. The annual unserviced rent is estimated at \$4,611,000. The Outpatient Clinic will provide primary care, women's health care, Operation Enduring Freedom/Operation Iraqi Freedom programs, mental health programs, homeless outreach, home-based primary care, surgical specialties, ambulatory surgery, endoscopy, geriatric care, dental clinic, laboratory, pathology, radiology, ancillary services and compensation and pension services.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Elmwood Avenue

South: Erie Station Road/E Henrietta Road/Goodburlet Road/Pinnacle Road/Reeves Road

East: Clover Street

West: W Henrietta Street

2. Mobile, AL - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 65,125 net usable square (nurf) feet/87,919 rentable square feet (rsf) with approximately 521 parking spaces. The annual unserviced rent is estimated at \$2,984,000. The lease will provide for administrative and clinic space consistent with VA CBOC requirements. Space will be allocated to the following general areas: audiology and speech pathology, care coordination home telehealth (CCHT), canteen, clinic administration, education, environmental management, eye clinic, home based primary care (HBPC), lab, medical administration, mental health, nursing, patient advocacy, pharmacy, primary care, radiology, surgical specialty clinics, and women's health.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Moffett Road

South: County Road 30 (Theodore Dawes Rd) and 26 (Hamilton Blvd)

East: County Road 163(Dauphin Island Parkway) to Government Blvd to Houston St

West: County Road 31 (Schillinger Road)

3. Springfield, MO - Outpatient Clinic

The new Community Based Outpatient Clinic (CBOC) will accommodate 68,000 net usable square feet (nurf)/91,8000 rentable square feet (rsf) with approximately 544

parking spaces. The estimated annual unserviced rent is \$2,749,000. The new clinic will relocate and expand the existing 41,000 nuf Gene Taylor Community Based Outpatient Clinic from Mount Vernon, Missouri, where it currently serves over 17,000 unique Veterans. The new CBOC will continue to provide primary and specialty care, mental health and ancillary services. The new clinic will also provide sleep studies, radiology, Magnetic Resonance Imaging (MRI), laboratory, and dental services.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Sunshine Street
South: US Highway 60 (properties located up to ½ mile South of US 60 will be considered within the boundary)
East: US Highway 65
West: US Highway 160

4. South Bend, IN - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 71,403 net usable square feet (nuf)/96,394 rentable square feet (rsf). The estimated annual unserviced rent is \$3,466,515. This CBOC will replace and expand South Bend's outpatient services to meet increasing Veteran demand, and will include following medical services: primary care; women's health care; home-based primary care; nutrition; audiology; tele-eye care and optometry; urology; cardiology; dermatology; physical therapy; podiatry; pulmonary function; some ambulatory procedures such as colonoscopies, sigmoidoscopies, endoscopies, and other minor procedures; ancillary services – laboratory, pharmacy, basic radiology, and prosthetic dispensing; and Compensation & Physical (C&P) exams.

The South Bend lease was authorized by Public Law 112-37 in an amount not to exceed \$6,731,000. The lease increased from 39,000 nuf to 71,403 nuf from the time the prospectus was submitted and when the lease was authorized.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Indiana state border
East: Ash Road north extended to Ash Road
South: Tyler Road/North County Line Road to County Line Road to Tyler Road extended to Ash Road
West: North 900 East east on Route 2/Western Avenue south on Larrison Boulevard/Strawberry Road west on East 50 North/Johnson Road south on County Highway 1100 East extended to Willow Road extended to Willow Road to Adams Street east on Roosevelt Road northeast on Legion Drive southeast on Harrison Street north on Route 23/Liberty Street until Tyler Road/North County Line Road

5. San Jose, CA - Outpatient Clinic Lease

The new Community Base Outpatient Clinic (CBOC) will accommodate 72,000 net usable square feet (nurf)/97,200 rentable square feet (rsf) with approximately 572 parking spaces. The estimated annual unserviced rent is \$5,586,000. This project will replace the existing 72,000 nurf CBOC in San Jose, CA. The CBOC will provide primary care, mental health and specialty care, to include audiology, podiatry and optometry. The clinic will also provide ancillary and diagnostic services, to include general x-ray, laboratory, pharmacy and telehealth.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Route 87 (Guadalupe Parkway) to Charcot Avenue
East: I-880 to Highway 101 to Bernal Road
South: Route 85 to Cottle Road to Santa Teresa Boulevard to Highway 101
West: Route 17 to I-880 to Route 87 (Guadalupe Parkway)

6. Butler, PA - Health Care Center (HCC) Lease

The new Health Care Center (HCC) will accommodate 168,000 net usable square feet (nurf)/226,800 rentable square feet (rsf) with approximately 1,035 parking spaces. The estimated annual unserviced rent is \$6,582,000. This project will relocate outpatient services from the current Butler VA Medical Center (VAMC) to a leased build-to-suit HCC in the vicinity of Butler, PA. The new HCC will expand Butler's outpatient space to approximately 168,000 nurf to meet increased Veteran demand. This clinic will serve Veterans from the counties of Armstrong, Butler, Clarion, Lawrence and Mercer. This project will allow VA to continue to provide timely access to state-of-the-art primary care, specialty care, mental health and ancillary diagnostic services in a properly sized facility to meet increased workload.

Delineated area - The proposed site must be within a five (5) mile radius of Eagle Mill Road and Benjamin Franklin Highway (422)



Committee on Transportation and Infrastructure
U.S. House of Representatives

Washington, DC 20515

Bill Shuster
Chairman

Nick J. Rahall, III
Ranking Member

Christopher P. Bertram, Staff Director

COMMITTEE RESOLUTION

James H. Zoia, Democrat Staff Director

LEASE
DEPARTMENT OF VETERANS AFFAIRS
BUTLER, PENNSYLVANIA

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, a lease of up to 226,800 rentable square feet of space, and 1,035 parking spaces, for the Department of Veterans Affairs for a Health Care Center in the vicinity of Butler, Pennsylvania, at a proposed unserviced annual cost of \$6,582,000 for a lease term of up to 20 years, a prospectus for which, as amended by the respective section of the attached VA Lease Summaries, is attached to and authorized by this resolution.

Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to the execution of the new lease.

Provided that, to the maximum extent practicable, the lease contract(s) shall include a purchase option that can be exercised at the conclusion of the firm term of the lease.

Provided further, that the delineated area of the procurement is identical to the delineated area included in the prospectus and associated VA Lease Summary, except that, if it is determined that the delineated area of the procurement should not be identical to the delineated area included in the prospectus and associated VA Lease Summary, an explanatory statement shall be provided to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Adopted: **September 17, 2014**

Bill Shuster, M.C.
Chairman

**Butler, Pennsylvania
Health Care Center (HCC) Lease**

This proposal provides for a new outpatient clinic lease in Butler, PA, to replace the current VAMC.

I. Budget Authority

<u>Lease Through</u>	<u>2010 Request</u>	<u>2010 Auth. Request</u>	<u>Unserviced Annual Rent</u>
2032	\$16,482,000	\$16,482,000	\$6,582,000

II. Description of Lease

This project will relocate outpatient services from the current Butler VA Medical Center (VAMC) to a leased build-to-suit Health Care Center (HCC) in the vicinity of Butler, PA. The new HCC will expand Butler's outpatient space to approximately 180,000 net usable square feet (NUSF) to meet increased veteran demand. This clinic will serve veterans from the counties of Beaver, Armstrong, Butler, Clarion, Forest, Venango, Lawrence and Mercer. This project will allow VA to continue to provide timely access to state-of-the-art primary care, specialty care, mental health and ancillary diagnostic services in a properly sized facility to meet increased workload.

Approval of this prospectus will constitute authority for up to 20 years of leasing including the initial term, and any renewal options, as necessary, prior to the completion of the proposed lease.

III. Priorities/Deficiencies Addressed

This lease is designed to address quality, access and capacity for Primary Care, Specialty Care, Dental, Laboratory and Pathology, Radiology, Mental Health, and Ancillary and Diagnostic Services. The buildings in which treatment programs currently reside require renovation and significant expansion. By consolidating services in a single building, VA will be able to ensure that patient intake is handled quickly, professionally and privately, and that veterans' health care needs are fully met. A new facility will enhance the care provided to current veterans and provide proper infrastructure for future veteran care in Butler.

The new HCC will benefit the Butler veteran population in many ways. The efficiency of services provided will be enhanced by the collocation of all clinical categories, such as primary care, mental health and specialty care, in one central building. By expanding the available clinical space to meet projected increases in patient workload, quality of life for veterans will also improve due to reduced wait times. Adding space for both individual and group therapy visits will allow for significant expansion of mental health programs. Increasing the number of

services provided, particularly specialty care services, will increase veterans' geographic access to care and thereby improve the quality of life for rural veterans who previously had to drive approximately 60 minutes to Pittsburgh to access these services. The new facility will also provide adequate parking.

This project will allow VA Butler Healthcare to meet this growing workload, while also increasing its focus on long-term care. The HCC will have the capacity to serve more veterans (3,000 more unique veterans), accommodate the expected increase in clinic stops (projected to increase by 81 percent in Ambulatory Care Stops and increase by 151 percent in Mental Health Stops in the next 20 years) and increase panel provider size by 10 percent.

IV. Alternatives to Lease Considered

Alternative 1 - Status Quo: This alternative assumes that the present physical space housing outpatient services at the Butler VAMC would continue to be used for outpatient care with general maintenance only. With this alternative, outpatient services would continue to be located in three separate buildings, maintaining existing inefficiencies and costly operational expenses.

Alternative 2 - Lease (Preferred Alternative): This option assumes the lease of a new, state-of-the-art HCC of approximately 180,000 NUSF. All VA Butler healthcare services, with the exception of the domiciliary and Community Living Center, will relocate to the HCC. It will provide infrastructure that supports the increased integration of outpatient services, coordination of care, provider productivity, efficiency, patient satisfaction, compliance with clinical guidelines, access and safety/security. This alternative solves VA Butler Healthcare's current space constraints cost effectively without requiring major up-front capital investment.

Alternative 3 - New Construction: This alternative assumes the construction of a new, free-standing comprehensive outpatient facility of approximately 180,000 NUSF. This option would consolidate all outpatient services in a modern outpatient facility. It would provide an infrastructure that supports the increased integration of outpatient services, coordination of care, provider productivity, efficiency, patient satisfaction, compliance with clinical guidelines, access and safety/security. Flexibility to expand/contract services and/or change location depending on workload demand would be difficult under this alternative.

Alternative 4 - Contract out: This alternative assumes the outsourcing of all outpatient care to the community. This alternative is not viable because the Butler community does not have sufficient capacity to support the veteran workload. This alternative is also the least cost effective alternative.

V. Demographic Data*

	<u>2007</u>	<u>2015</u>	<u>2025</u>	<u>Change</u> <u>2007-2025</u>
Veteran population	487,868	356,166	364,287	-25%
Enrollees	182,025	168,749	141,724	-22%
Ambulatory Stops	73,692	116,732	133,726	81%
Mental Health Stops	25,958	47,102	59,316	129%

*Data for Western market and Butler catchment area

VI. Schedule

Award leases	August 2010
Complete construction	May 2012
Activation/Occupancy	June 2012

VII. Project Cost Summary

Estimated Annual Cost	\$6,582,000
Proposed Rental Rate*	\$36.57/NUSF
Proposed Lease Authority	20 Years
Net Usable Square Feet	180,000 NUSF
Parking Spaces*	1,035
Special Purpose Related Improvements**	\$9,900,000

*Estimate based on 2009 rates, and may be escalated by 4% annually to the effective date of the lease to account for inflation.

**Lump sum payment to Lessor to upgrade space for special administrative or medical use; not included in rent.

VA Lease Summaries:

1. Rochester, NY - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 84,000 net usable square feet (nurf)/113,400 rentable square feet (rsf) with approximately 672 parking spaces. The annual unserviced rent is estimated at \$4,611,000. The Outpatient Clinic will provide primary care, women's health care, Operation Enduring Freedom/Operation Iraqi Freedom programs, mental health programs, homeless outreach, home-based primary care, surgical specialties, ambulatory surgery, endoscopy, geriatric care, dental clinic, laboratory, pathology, radiology, ancillary services and compensation and pension services.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Elmwood Avenue

South: Erie Station Road/E Henrietta Road/Goodburlet Road/Pinnacle Road/Reeves Road

East: Clover Street

West: W Henrietta Street

2. Mobile, AL - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 65,125 net usable square (nurf) feet/87,919 rentable square feet (rsf) with approximately 521 parking spaces. The annual unserviced rent is estimated at \$2,984,000. The lease will provide for administrative and clinic space consistent with VA CBOC requirements. Space will be allocated to the following general areas: audiology and speech pathology, care coordination home telehealth (CCHT), canteen, clinic administration, education, environmental management, eye clinic, home based primary care (HBPC), lab, medical administration, mental health, nursing, patient advocacy, pharmacy, primary care, radiology, surgical specialty clinics, and women's health.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Moffett Road

South: County Road 30 (Theodore Dawes Rd) and 26 (Hamilton Blvd)

East: County Road 163(Dauphin Island Parkway) to Government Blvd to

Houston St

West: County Road 31 (Schillinger Road)

3. Springfield, MO - Outpatient Clinic

The new Community Based Outpatient Clinic (CBOC) will accommodate 68,000 net usable square feet (nurf)/91,8000 rentable square feet (rsf) with approximately 544

parking spaces. The estimated annual unserviced rent is \$2,749,000. The new clinic will relocate and expand the existing 41,000 nusf Gene Taylor Community Based Outpatient Clinic from Mount Vernon, Missouri, where it currently serves over 17,000 unique Veterans. The new CBOC will continue to provide primary and specialty care, mental health and ancillary services. The new clinic will also provide sleep studies, radiology, Magnetic Resonance Imaging (MRI), laboratory, and dental services.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Sunshine Street
South: US Highway 60 (properties located up to ½ mile South of US 60 will be considered within the boundary)
East: US Highway 65
West: US Highway 160

4. South Bend, IN - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 71,403 net usable square feet (nusf)/96,394 rentable square feet (rsf). The estimated annual unserviced rent is \$3,466,515. This CBOC will replace and expand South Bend's outpatient services to meet increasing Veteran demand, and will include following medical services: primary care; women's health care; home-based primary care; nutrition; audiology; tele-eye care and optometry; urology; cardiology; dermatology; physical therapy; podiatry; pulmonary function; some ambulatory procedures such as colonoscopies, sigmoidoscopies, endoscopies, and other minor procedures; ancillary services – laboratory, pharmacy, basic radiology, and prosthetic dispensing; and Compensation & Physical (C&P) exams.

The South Bend lease was authorized by Public Law 112-37 in an amount not to exceed \$6,731,000. The lease increased from 39,000 nusf to 71,403 nusf from the time the prospectus was submitted and when the lease was authorized.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Indiana state border
East: Ash Road north extended to Ash Road
South: Tyler Road/North County Line Road to County Line Road to Tyler Road extended to Ash Road
West: North 900 East east on Route 2/Western Avenue south on Larrison Boulevard/Strawberry Road west on East 50 North/Johnson Road south on County Highway 1100 East extended to Willow Road extended to Willow Road to Adams Street east on Roosevelt Road northeast on Legion Drive southeast on Harrison Street north on Route 23/Liberty Street until Tyler Road/North County Line Road

5. San Jose, CA - Outpatient Clinic Lease

The new Community Base Outpatient Clinic (CBOC) will accommodate 72,000 net usable square feet (nurf)/97,200 rentable square feet (rsf) with approximately 572 parking spaces. The estimated annual unserviced rent is \$5,586,000. This project will replace the existing 72,000 nurf CBOC in San Jose, CA. The CBOC will provide primary care, mental health and specialty care, to include audiology, podiatry and optometry. The clinic will also provide ancillary and diagnostic services, to include general x-ray, laboratory, pharmacy and telehealth.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Route 87 (Guadalupe Parkway) to Charcot Avenue
East: I-880 to Highway 101 to Bernal Road
South: Route 85 to Cottle Road to Santa Teresa Boulevard to Highway 101
West: Route 17 to I-880 to Route 87 (Guadalupe Parkway)

6. Butler, PA - Health Care Center (HCC) Lease

The new Health Care Center (HCC) will accommodate 168,000 net usable square feet (nurf)/226,800 rentable square feet (rsf) with approximately 1,035 parking spaces. The estimated annual unserviced rent is \$6,582,000. This project will relocate outpatient services from the current Butler VA Medical Center (VAMC) to a leased build-to-suit HCC in the vicinity of Butler, PA. The new HCC will expand Butler's outpatient space to approximately 168,000 nurf to meet increased Veteran demand. This clinic will serve Veterans from the counties of Armstrong, Butler, Clarion, Lawrence and Mercer. This project will allow VA to continue to provide timely access to state-of-the-art primary care, specialty care, mental health and ancillary diagnostic services in a properly sized facility to meet increased workload.

Delineated area - The proposed site must be within a five (5) mile radius of Eagle Mill Road and Benjamin Franklin Highway (422)



**Committee on Transportation and Infrastructure
U.S. House of Representatives**

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, III
Ranking Member

COMMITTEE RESOLUTION

Christopher P. Bertram, Staff Director

James H. Zoia, Democrat Staff Director

**LEASE
DEPARTMENT OF VETERANS AFFAIRS
MOBILE, AL**

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, a replacement lease of up to 87,919 rentable square feet of space, and 521 parking spaces, for the Department of Veterans Affairs to replace the existing Community Based Outpatient Clinic in Mobile, Alabama, at a proposed unserviced annual cost of \$2,984,028 for a lease term of up to 20 years, a prospectus for which, as amended by the respective section of the attached VA Lease Summaries, is attached to and authorized by this resolution.

Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to the execution of the new lease.

Provided that, to the maximum extent practicable, the lease contract(s) shall include a purchase option that can be exercised at the conclusion of the firm term of the lease.

Provided further, that the delineated area of the procurement is identical to the delineated area included in the prospectus and associated VA Lease Summary, except that, if it is determined that the delineated area of the procurement should not be identical to the delineated area included in the prospectus and associated VA Lease Summary, an explanatory statement shall be provided to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Adopted: **September 17, 2014**

Bill Shuster, M.C.
Chairman

**Mobile, Alabama
Outpatient Clinic Lease**

This proposal provides for a Replacement Lease for the Mobile Community Based Outpatient Clinic, Mobile, AL, supporting the parent facility of the VA Gulf Coast Veterans Health Care System, Biloxi, MS.

I. Budget Authority

Lease Through	2012 Request	2012 Authorization Request	Unserviced Annual Rent
2034	\$6,564,528	\$6,564,528	\$2,984,028

II. Description of Project

This project proposes the lease of 65,125 Net Usable Square Feet (NUSF) for a replacement Community Based Outpatient Clinic in Mobile, AL, to replace the existing 35,345 NUSF clinic. The lease will provide for administrative and clinical space consistent with VA CBOC requirements. Space will be allocated to the following general areas: Audiology and Speech Pathology, CCHT, canteen, clinic administration, education, environmental management, eye clinic, HBPC, lab, medical administration, medical specialty clinics, mental health, nursing, patient advocacy, pharmacy, police, primary care, radiology, surgical specialty clinics, Veterans' service organizations, warehouse, and women's health.

Approval of this prospectus will constitute authority for up to 20 years of leasing, as well as potential extension of the present lease as may be necessary pending execution of the replacement lease.

III. Priorities/Deficiencies Addressed

This lease addresses functional, utilization and safety deficiencies. The existing clinic is housed in a functionally obsolete clinical building owned by the University of South Alabama. VA occupies 35,345 net usable square feet on the first and sixth floors of a 1940's era hospital, which has been sublet to various health-oriented businesses since the 1980's. Due to deteriorating conditions, rising crime rates, and the building's operational inefficiencies, many of the businesses have strategically relocated to other parts of the city. As a result, VA remains as one of the few tenants in an otherwise empty building. The Primary Care Clinic is run out of a 1970's era surgery suite and the Mental Health Clinic is housed on a separate floor, in an old inpatient ward. Hallways are narrow and turning radius for wheelchairs is limited. The main reception area is too small for the number of patients; the sub-waiting areas often overflow into the narrow corridors. Other services, such as Audiology and Radiology, also have small waiting rooms. The rest of the clinic is housed on a different floor; it is overcrowded and many new programs can't be implemented due to lack of square footage. Because of columns and bearing walls, the existing space does not work even in a renovated configuration.

As indicated by staff and Veteran complaints, the current environment is challenging, both logistically and aesthetically. Even before the patient enters the clinic, there are barriers to overcome. For example, the main entrance/reception area is co-located on the side of the building originally designed as an ambulance entrance. In fact, VA still uses the entrance for ambulance pick-ups. Although Veterans may be dropped off at this entrance, there is no parking available for family or other escorts.

IV. Alternatives to Lease Considered

Alternative 1 – Status Quo: Maintain the existing lease. The clinic will continue to be housed in a functionally obsolete clinical building on the first and sixth floors of a 1940’s era hospital. Space, safety and functional deficiencies will remain. Due to these constraints, this option is not preferred.

Alternative 2 – New Lease (Preferred alternative): This option proposes to lease 65,125 net usable square feet (NUSF) for the Mobile Clinic and would provide greater capacity for medical staff to perform in a more appropriately sized, modern facility. The new lease would incorporate all current services and include the addition of new services, such as Home Based Primary Care (HBPC) and the Patient Aligned Care Team (PACT) Model. The Clinic will need more operational and support space to improve staff and patient flow. Based on cost and the positive patient impact, this alternative is the preferred one.

Alternative 3 - Contract Out: This alternative would contract out all services currently provided by the CBOC to private health care providers in the community. This alternative would result in increased annual costs, which would be challenging to financially support. Also, this alternative would face challenges associated with limited existing capacity in the community to absorb VA’s workload. Therefore, this option is the least preferred.

Alternative 4 - New Construction: New construction will address all functional, utilization and safety gap concerns, and agency strategic goals. However, there is a need to reside closer to the Veteran community when demographics change. This makes a permanent site less favorable. In addition, new construction would require land acquisition; this not only increases the cost but would delay activation by at least one year. Therefore, this alternative is the next preferred.

V. Demographic Data*:

	<u>2009</u>	<u>2019</u>	<u>2029</u>	<u>Change (2009-2029)</u>
Veteran Population	35,177	27,628	22,519	-36%
Enrollees	11,957	13,121	12,486	4%

*Data reflects the VISN 16 Central Southern market

VI. Workload

	Current (2009)	Projected (2029)	Change (2009-2029)
Ambulatory Care Stops	66,894	112,975	69%
Mental Health Stops	18,996	36,986	95%

VII. Schedule

Award leases	January 2013
Complete construction	January 2015
Activation/Occupancy	March 2015

VIII. Project Cost Summary

Estimated Annual Cost	\$2,984,028
Proposed Rental Rate*	\$45.82/SF
Proposed Lease Authority	20 Years
Net Usable Square Feet	65,125
Parking Spaces	521
Special Purpose Related Improvements**	\$3,580,500

*Estimate based on 2011 rates, and may be escalated by 4% annually to the effective date of the lease to account for inflation.

**Represents lump sum payment to Lessor to design and build out space for clinical use; not included in base rent.

VA Lease Summaries:

1. Rochester, NY - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 84,000 net usable square feet (nurf)/113,400 rentable square feet (rsf) with approximately 672 parking spaces. The annual unserviced rent is estimated at \$4,611,000. The Outpatient Clinic will provide primary care, women's health care, Operation Enduring Freedom/Operation Iraqi Freedom programs, mental health programs, homeless outreach, home-based primary care, surgical specialties, ambulatory surgery, endoscopy, geriatric care, dental clinic, laboratory, pathology, radiology, ancillary services and compensation and pension services.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Elmwood Avenue

South: Erie Station Road/E Henrietta Road/Goodburlet Road/Pinnacle Road/Reeves Road

East: Clover Street

West: W Henrietta Street

2. Mobile, AL - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 65,125 net usable square (nurf) feet/87,919 rentable square feet (rsf) with approximately 521 parking spaces. The annual unserviced rent is estimated at \$2,984,000. The lease will provide for administrative and clinic space consistent with VA CBOC requirements. Space will be allocated to the following general areas: audiology and speech pathology, care coordination home telehealth (CCHT), canteen, clinic administration, education, environmental management, eye clinic, home based primary care (HBPC), lab, medical administration, mental health, nursing, patient advocacy, pharmacy, primary care, radiology, surgical specialty clinics, and women's health.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Moffett Road

South: County Road 30 (Theodore Dawes Rd) and 26 (Hamilton Blvd)

East: County Road 163(Dauphin Island Parkway) to Government Blvd to Houston St

West: County Road 31 (Schillinger Road)

3. Springfield, MO - Outpatient Clinic

The new Community Based Outpatient Clinic (CBOC) will accommodate 68,000 net usable square feet (nurf)/91,8000 rentable square feet (rsf) with approximately 544

parking spaces. The estimated annual unserviced rent is \$2,749,000. The new clinic will relocate and expand the existing 41,000 nusf Gene Taylor Community Based Outpatient Clinic from Mount Vernon, Missouri, where it currently serves over 17,000 unique Veterans. The new CBOC will continue to provide primary and specialty care, mental health and ancillary services. The new clinic will also provide sleep studies, radiology, Magnetic Resonance Imaging (MRI), laboratory, and dental services.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Sunshine Street
South: US Highway 60 (properties located up to ½ mile South of US 60 will be considered within the boundary)
East: US Highway 65
West: US Highway 160

4. South Bend, IN - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 71,403 net usable square feet (nusf)/96,394 rentable square feet (rsf). The estimated annual unserviced rent is \$3,466,515. This CBOC will replace and expand South Bend's outpatient services to meet increasing Veteran demand, and will include following medical services: primary care; women's health care; home-based primary care; nutrition; audiology; tele-eye care and optometry; urology; cardiology; dermatology; physical therapy; podiatry; pulmonary function; some ambulatory procedures such as colonoscopies, sigmoidoscopies, endoscopies, and other minor procedures; ancillary services – laboratory, pharmacy, basic radiology, and prosthetic dispensing; and Compensation & Physical (C&P) exams.

The South Bend lease was authorized by Public Law 112-37 in an amount not to exceed \$6,731,000. The lease increased from 39,000 nusf to 71,403 nusf from the time the prospectus was submitted and when the lease was authorized.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Indiana state border
East: Ash Road north extended to Ash Road
South: Tyler Road/North County Line Road to County Line Road to Tyler Road extended to Ash Road
West: North 900 East east on Route 2/Western Avenue south on Larrison Boulevard/Strawberry Road west on East 50 North/Johnson Road south on County Highway 1100 East extended to Willow Road extended to Willow Road to Adams Street east on Roosevelt Road northeast on Legion Drive southeast on Harrison Street north on Route 23/Liberty Street until Tyler Road/North County Line Road

5. San Jose, CA - Outpatient Clinic Lease

The new Community Base Outpatient Clinic (CBOC) will accommodate 72,000 net usable square feet (nurf)/97,200 rentable square feet (rsf) with approximately 572 parking spaces. The estimated annual unserviced rent is \$5,586,000. This project will replace the existing 72,000 nurf CBOC in San Jose, CA. The CBOC will provide primary care, mental health and specialty care, to include audiology, podiatry and optometry. The clinic will also provide ancillary and diagnostic services, to include general x-ray, laboratory, pharmacy and telehealth.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Route 87 (Guadalupe Parkway) to Charcot Avenue
East: I-880 to Highway 101 to Bernal Road
South: Route 85 to Cottle Road to Santa Teresa Boulevard to Highway 101
West: Route 17 to I-880 to Route 87 (Guadalupe Parkway)

6. Butler, PA - Health Care Center (HCC) Lease

The new Health Care Center (HCC) will accommodate 168,000 net usable square feet (nurf)/226,800 rentable square feet (rsf) with approximately 1,035 parking spaces. The estimated annual unserviced rent is \$6,582,000. This project will relocate outpatient services from the current Butler VA Medical Center (VAMC) to a leased build-to-suit HCC in the vicinity of Butler, PA. The new HCC will expand Butler's outpatient space to approximately 168,000 nurf to meet increased Veteran demand. This clinic will serve Veterans from the counties of Armstrong, Butler, Clarion, Lawrence and Mercer. This project will allow VA to continue to provide timely access to state-of-the-art primary care, specialty care, mental health and ancillary diagnostic services in a properly sized facility to meet increased workload.

Delineated area - The proposed site must be within a five (5) mile radius of Eagle Mill Road and Benjamin Franklin Highway (422)



Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, III
Ranking Member

Christopher P. Bertram, Staff Director

COMMITTEE RESOLUTION

James H. Zoia, Democrat Staff Director

LEASE
DEPARTMENT OF VETERANS AFFAIRS
ROCHESTER, NY

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, a replacement lease of up to 113,400 rentable square feet of space, and 672 parking spaces, for the Department of Veterans Affairs to replace the existing Community Based Outpatient Clinic in Rochester, Monroe County, New York, at a proposed unserviced annual cost of \$4,611,600 for a lease term of up to 20 years, a prospectus for which, as amended by the respective section of the attached VA Lease Summaries, is attached to and authorized by this resolution.

Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to the execution of the new lease.

Provided that, to the maximum extent practicable, the lease contract(s) shall include a purchase option that can be exercised at the conclusion of the firm term of the lease.

Provided further, that the delineated area of the procurement is identical to the delineated area included in the prospectus and associated VA Lease Summary, except that, if it is determined that the delineated area of the procurement should not be identical to the delineated area included in the prospectus and associated VA Lease Summary, an explanatory statement shall be provided to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Adopted: September 17, 2014

Bill Shuster, M.C.
Chairman

**Rochester, New York
Outpatient Clinic Lease**

This proposal provides for a replacement leased Community Based Outpatient Clinic in Rochester, Monroe County, NY, supporting the parent facility of the Canandaigua VA Medical Center in Canandaigua, NY.

I. Budget Authority

Lease Through	2012 Request	2012 Authorization Request	Unserviced Annual Rent
2034	\$9,231,600	\$9,231,600	\$4,611,600

II. Description of Project

This project proposes to lease a replacement, 84,000 net usable square feet (NUSF) Community Based Outpatient Clinic (CBOC), including 672 parking spaces. This leased facility will provide expanded outpatient services to address utilization and space gaps in the Monroe County sub-market area within the Finger Lakes/Southern Tier Market. The current leased Rochester CBOC is 49,190 gross square feet (GSF) and includes 184 parking spaces. Two additional leased sites nearby, at Mt. Hope Avenue (6,364 GSF) and Clinton Crossings (8,091 GSF), are used to offset the space and parking shortages at the CBOC. The current lease is set to expire in October 2016, and the building owner has indicated the lease cannot be renewed.

The replacement Rochester lease will include primary care, women's health, Operation Enduring Freedom / Operation Iraqi Freedom (OEF/OIF), mental health, homeless outreach, home-based primary care (HBPC), specialty services, ancillary services, compensation and pension (C&P), research, residency programs with local affiliates, Veterans Benefits Administration (VBA), Veteran Service Organizations (VSO), and volunteer programs.

Approval of this prospectus will constitute authority for up to 20 years of leasing, as well as potential extension of the present lease as may be necessary pending execution of the replacement lease.

III. Priorities/Deficiencies Addressed

This lease addresses the continuing need to provide primary care, mental health, and specialty care services to Veterans residing in Rochester, NY.

Several programs currently provided at the Rochester CBOC were shown to have both workload and space gaps by the Strategic Capital Investment Plan (SCIP). These services include: ambulatory primary care, geriatrics, and urgent care; medical and other non-surgical specialties; mental health programs; surgical specialties; dental clinic; laboratory and pathology; and radiology and nuclear medicine. These gaps will be addressed in the proposed CBOC replacement facility.

IV. Alternatives to Lease Considered

Alternative 1 - Status Quo: The status quo would continue to provide outpatient services in Rochester, Monroe County, NY, in the current, 49,190 GSF leased building until the lease termination date in 2016. After lease termination, this primary care access point would be eliminated, significantly decreasing access to care for Veterans. This alternative would require Veterans in Monroe County to travel to alternative VA facilities to receive primary care, mental health, and specialty care services. Therefore, this option is not the most optimal.

Alternative 2 - New Lease (Preferred alternative): This project proposes to replace the existing lease with a replacement, 84,000 NUSF CBOC to include 332 parking spaces. This replacement lease will allow VA to continue to provide services in Monroe County, and will allow for the required expansion of services to meet current utilization and space gaps at the current CBOC. This alternative was selected because the lease would enable VA to serve a greater number of Veterans, reduce Veteran travel time for some clinical services, and consolidate the three leases into a single location. Furthermore, the lease alternative will provide expanded, state-of-the-art clinical space sooner than the new construction alternative and will provide a more functional and effective healthcare environment to the benefit of Veterans, Veterans' families and medical staff.

Alternative 3 - Contract Out Services: This alternative would seek to contract out all ambulatory, mental health, and specialty care services in the community. This alternative is not cost-effective and would result in a loss of quality control over Veteran healthcare. There also may not be sufficient, qualified, private-sector providers in the Monroe County area to accommodate the Veteran workload. Therefore, this alternative is the least preferred.

Alternative 4 - New Construction: This alternative would require VA to purchase a land parcel and construct a new, 84,000 NUSF facility in Monroe County. This alternative solves utilization and space gaps in the same manner as the lease alternative. However, a permanent site limits the ability to relocate services in the future to adapt to changes in Veteran demographics. In addition, new construction would require land acquisition; this not only increases the cost but would delay activation by approximately one year. Therefore, this alternative is the second preferred.

V. Demographic Data*

	<u>2009</u>	<u>2019</u>	<u>2029</u>	Change (2009-2029)
Veteran Population	49,357	33,821	23,579	-52%
Enrollees	16,966	16,244	13,613	-20%

*Data reflects the VISN 2, Monroe County, NY market

VI. Workload

	Current (2009)	Projected (2029)	Change (2009-2029)
Ambulatory Stops	66,653	73,116	10%
Mental Health stops	24,231	27,392	13%

VII. Schedule

Award leases	January 2013
Complete construction	January 2015
Activation/Occupancy	March 2015

VIII. Project Cost Summary

Estimated Annual Cost	\$4,611,600
Proposed Rental Rate*	\$54.90/SF
Proposed Lease Authority	20 Years
Net Usable Square Feet	84,000
Parking Spaces	672
Special Purpose Related Improvements**	\$4,620,000

*Estimate based on 2011 rates, and may be escalated by 4% annually to the effective date of the lease to account for inflation.

**Represents lump sum payment to Lessor to design and build out space for clinical use; not included in base rent.

VA Lease Summaries:

1. Rochester, NY - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 84,000 net usable square feet (nustf)/113,400 rentable square feet (rsf) with approximately 672 parking spaces. The annual unserviced rent is estimated at \$4,611,000. The Outpatient Clinic will provide primary care, women's health care, Operation Enduring Freedom/Operation Iraqi Freedom programs, mental health programs, homeless outreach, home-based primary care, surgical specialties, ambulatory surgery, endoscopy, geriatric care, dental clinic, laboratory, pathology, radiology, ancillary services and compensation and pension services.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Elmwood Avenue

South: Erie Station Road/E Henrietta Road/Goodburlet Road/Pinnacle Road/Reeves Road

East: Clover Street

West: W Henrietta Street

2. Mobile, AL - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 65,125 net usable square (nustf) feet/87,919 rentable square feet (rsf) with approximately 521 parking spaces. The annual unserviced rent is estimated at \$2,984,000. The lease will provide for administrative and clinic space consistent with VA CBOC requirements. Space will be allocated to the following general areas: audiology and speech pathology, care coordination home telehealth (CCHT), canteen, clinic administration, education, environmental management, eye clinic, home based primary care (HBPC), lab, medical administration, mental health, nursing, patient advocacy, pharmacy, primary care, radiology, surgical specialty clinics, and women's health.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Moffett Road

South: County Road 30 (Theodore Dawes Rd) and 26 (Hamilton Blvd)

East: County Road 163(Dauphin Island Parkway) to Government Blvd to Houston St

West: County Road 31 (Schillinger Road)

3. Springfield, MO - Outpatient Clinic

The new Community Based Outpatient Clinic (CBOC) will accommodate 68,000 net usable square feet (nustf)/91,8000 rentable square feet (rsf) with approximately 544

parking spaces. The estimated annual unserviced rent is \$2,749,000. The new clinic will relocate and expand the existing 41,000 nusf Gene Taylor Community Based Outpatient Clinic from Mount Vernon, Missouri, where it currently serves over 17,000 unique Veterans. The new CBOC will continue to provide primary and specialty care, mental health and ancillary services. The new clinic will also provide sleep studies, radiology, Magnetic Resonance Imaging (MRI), laboratory, and dental services.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Sunshine Street
South: US Highway 60 (properties located up to ½ mile South of US 60 will be considered within the boundary)
East: US Highway 65
West: US Highway 160

4. South Bend, IN - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 71,403 net usable square feet (nusf)/96,394 rentable square feet (rsf). The estimated annual unserviced rent is \$3,466,515. This CBOC will replace and expand South Bend's outpatient services to meet increasing Veteran demand, and will include following medical services: primary care; women's health care; home-based primary care; nutrition; audiology; tele-eye care and optometry; urology; cardiology; dermatology; physical therapy; podiatry; pulmonary function; some ambulatory procedures such as colonoscopies, sigmoidoscopies, endoscopies, and other minor procedures; ancillary services – laboratory, pharmacy, basic radiology, and prosthetic dispensing; and Compensation & Physical (C&P) exams.

The South Bend lease was authorized by Public Law 112-37 in an amount not to exceed \$6,731,000. The lease increased from 39,000 nusf to 71,403 nusf from the time the prospectus was submitted and when the lease was authorized.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Indiana state border
East: Ash Road north extended to Ash Road
South: Tyler Road/North County Line Road to County Line Road to Tyler Road extended to Ash Road
West: North 900 East east on Route 2/Western Avenue south on Larrison Boulevard/Strawberry Road west on East 50 North/Johnson Road south on County Highway 1100 East extended to Willow Road extended to Willow Road to Adams Street east on Roosevelt Road northeast on Legion Drive southeast on Harrison Street north on Route 23/Liberty Street until Tyler Road/North County Line Road

5. San Jose, CA - Outpatient Clinic Lease

The new Community Base Outpatient Clinic (CBOC) will accommodate 72,000 net usable square feet (nurf)/97,200 rentable square feet (rsf) with approximately 572 parking spaces. The estimated annual unserved rent is \$5,586,000. This project will replace the existing 72,000 nurf CBOC in San Jose, CA. The CBOC will provide primary care, mental health and specialty care, to include audiology, podiatry and optometry. The clinic will also provide ancillary and diagnostic services, to include general x-ray, laboratory, pharmacy and telehealth.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Route 87 (Guadalupe Parkway) to Charcot Avenue
East: I-880 to Highway 101 to Bernal Road
South: Route 85 to Cottle Road to Santa Teresa Boulevard to Highway 101
West: Route 17 to I-880 to Route 87 (Guadalupe Parkway)

6. Butler, PA - Health Care Center (HCC) Lease

The new Health Care Center (HCC) will accommodate 168,000 net usable square feet (nurf)/226,800 rentable square feet (rsf) with approximately 1,035 parking spaces. The estimated annual unserved rent is \$6,582,000. This project will relocate outpatient services from the current Butler VA Medical Center (VAMC) to a leased build-to-suit HCC in the vicinity of Butler, PA. The new HCC will expand Butler's outpatient space to approximately 168,000 nurf to meet increased Veteran demand. This clinic will serve Veterans from the counties of Armstrong, Butler, Clarion, Lawrence and Mercer. This project will allow VA to continue to provide timely access to state-of-the-art primary care, specialty care, mental health and ancillary diagnostic services in a properly sized facility to meet increased workload.

Delineated area - The proposed site must be within a five (5) mile radius of Eagle Mill Road and Benjamin Franklin Highway (422)



Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, III
Ranking Member

COMMITTEE RESOLUTION

Christopher P. Bertram, Staff Director

James H. Zoia, Democrat Staff Director

LEASE
DEPARTMENT OF VETERANS AFFAIRS
SAN JOSE, CA

Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, a replacement lease of up to 97,200 rentable square feet of space, and 576 parking spaces, for the Department of Veterans Affairs to replace the existing Community Based Outpatient Clinic in San Jose, California, at a proposed unserviced annual cost of \$5,586,000 for a lease term of up to 20 years, a prospectus for which, as amended by the respective section of the attached VA Lease Summaries, is attached to and authorized by this resolution.

Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to the execution of the new lease.

Provided that, to the maximum extent practicable, the lease contract(s) shall include a purchase option that can be exercised at the conclusion of the firm term of the lease.

Provided further, that the delineated area of the procurement is identical to the delineated area included in the prospectus and associated VA Lease Summary, except that, if it is determined that the delineated area of the procurement should not be identical to the delineated area included in the prospectus and associated VA Lease Summary, an explanatory statement shall be provided to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

Adopted: September 17, 2014

Bill Shuster, M.C.
Chairman

**San Jose, California
Outpatient Clinic Lease**

This proposal provides for leasing a replacement Community Based Outpatient Clinic in San Jose, CA, supporting the parent facility of the VA Palo Alto Health Care System in Palo Alto, CA.

I. Budget Authority

Lease Through	2012 Request	2012 Authorization Request	Unserviced Annual Rent
2034	\$9,545,760	\$9,545,760	\$5,585,760

II. Description of Project

This project will replace the existing 72,000 net usable square foot (NUSF) San Jose Community Based Outpatient Clinic (CBOC) in San Jose, CA. The existing 72,000 NUSF San Jose CBOC lease is set to expire in 2016 with no additional option years remaining on the existing lease and no opportunity to renew. The replacement lease will be for up to 72,000 NUSF and include at least 576 parking spaces. The San Jose CBOC will provide primary care, mental health and specialty care, to include audiology, podiatry and optometry. The clinic will also provide ancillary and diagnostic services, to include general x-ray, laboratory, pharmacy and telehealth.

Approval of this prospectus will constitute authority for up to 20 years of leasing, as well as potential extension of the present lease as may be necessary pending execution of the replacement lease.

III. Priorities/Deficiencies Addressed

This lease addresses the need to provide ongoing primary care, mental health and specialty care services to Veterans residing in San Jose, CA. The San Jose CBOC is a busy, multi-specialty clinic that treats over 10,000 Veterans annually. The San Jose CBOC is located in Santa Clara County where over 75,000 Veterans currently reside. Maintaining a presence in the San Jose region is critical to ensuring access to health care services for these Veterans, improving the likelihood that Veterans will seek care and comply with clinical treatment plans. A new 20-year lease is required since VA will have to vacate the existing facility no later than November 2016.

Replacing the San Jose CBOC with a new facility in the San Jose region will enable VAPAHCS to provide a state-of-the-art treatment facility using integrated design concepts. The new facility will be designed around the principles of Veteran- and family-centric care; providing space for interdisciplinary team delivery; integration of the family into the treatment plan; and creating space to optimize health and wellness. Continuing service in this region also embodies the goal of being patient-centric by

delivering care in a community setting where a substantial number of Veterans live, thereby reducing wait and drive times and eliminating service disparities.

IV. Alternatives to Lease Considered

Alternative 1 - Status Quo: The status quo would continue to provide outpatient services in the existing San Jose CBOC clinic until the current lease expires in 2016. The primary care access point in southern Santa Clara County would be eliminated, significantly decreasing access to care for Veterans. This alternative would require that Veterans residing in Santa Clara County, specifically in the City of San Jose, travel through densely congested traffic corridors to receive basic services in either Palo Alto or Monterey. In addition, this alternative does not provide any opportunity to decompress the Palo Alto Division. As it is the goal of VAPAHCS to improve access to services for Veterans, this option is not the most optimal.

Alternative 2 - New Lease (Preferred alternative): This project proposes to replace the 72,000 NUSF CBOC in San Jose, CA with a new, leased facility after the expiration of the existing lease in 2016. The replacement lease will be for up to 72,000 NUSF and include a minimum of 360 parking spaces. Through the competitive procurement process, this alternative will allow VAPAHCS to identify the best value land parcel and facility for the new clinic. The clinic will be designed to provide state-of-the-art services and incorporate the latest VA clinical delivery models, to include Patient Aligned Care Team practices. Therefore, leasing a facility in the San Jose area to ensure the continued provision of medical services is the preferred alternative.

Alternative 3 - Contract Out Services: This alternative would seek to contract out all ambulatory, mental health and specialty care in the community. As a national health care system, VA has gained a unique level of expertise in providing Veterans services, including the maintenance of a comprehensive medical record, expertise in mental health issues and provision of wellness outreach and education that would be extremely difficult to replicate in a community setting. Relying on a community or contract provider that potentially lacks expertise in Veteran issues to provide treatment to this potentially vulnerable and at-risk patient population poses a risk to Veteran safety. In addition, relying on contract providers to offer these services remains cost prohibitive and is subject to the availability of mental health providers within the community. Therefore, this alternative is the least preferred.

Alternative 4 - New Construction: This alternative would require VAPAHCS to acquire a land parcel and construct a new, 72,000 NUSF facility. A permanent site limits the ability to relocate services in the future to adapt to changes in Veteran demographics and is therefore less favorable. In addition, new construction would require land acquisition; this not only increases the cost, but would delay activation by approximately one year. Therefore, this alternative is the second preferred.

V. Demographic Data*

	2009	2019	2029	Change (2009-2029)
Veteran Population	225,428	167,749	129,722	-42%
Enrollees	71,246	72,179	65,915	-7%

*Data reflects the VISN 21 South Coast Market and 55% of Alameda County. Note: Alameda County is a shared county that is serviced by both VAPAHCS and VANCHCS. All of the workload for this county is included in the North Coast Market.

VI. Workload

	Current (2009)	Projected (2029)	Change (2009-2029)
Ambulatory stops	32,331	37,105	15%
Mental Health stops	19,111	24,517	28%

VII. Schedule

Award leases	January 2013
Complete construction	January 2015
Activation/Occupancy	March 2015

VIII. Project Cost Summary

Estimated Annual Cost	\$5,585,760
Proposed Rental Rate*	\$77.58/SF
Proposed Lease Authority	20 Years
Net Usable Square Feet	72,000
Parking Spaces	576
Special Purpose Related Improvements**	\$3,960,000

*Estimate based on 2011 rates, and may be escalated by 4% annually to the effective date of the lease to account for inflation.

**Represents lump sum payment to Lessor to design and build out space for clinical use; not included in base rent.

VA Lease Summaries:

1. Rochester, NY - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 84,000 net usable square feet (nurf)/113,400 rentable square feet (rsf) with approximately 672 parking spaces. The annual unserviced rent is estimated at \$4,611,000. The Outpatient Clinic will provide primary care, women's health care, Operation Enduring Freedom/Operation Iraqi Freedom programs, mental health programs, homeless outreach, home-based primary care, surgical specialties, ambulatory surgery, endoscopy, geriatric care, dental clinic, laboratory, pathology, radiology, ancillary services and compensation and pension services.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Elmwood Avenue

South: Erie Station Road/E Henrietta Road/Goodburlet Road/Pinnacle Road/Reeves Road

East: Clover Street

West: W Henrietta Street

2. Mobile, AL - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 65,125 net usable square (nurf) feet/87,919 rentable square feet (rsf) with approximately 521 parking spaces. The annual unserviced rent is estimated at \$2,984,000. The lease will provide for administrative and clinic space consistent with VA CBOC requirements. Space will be allocated to the following general areas: audiology and speech pathology, care coordination home telehealth (CCHT), canteen, clinic administration, education, environmental management, eye clinic, home based primary care (HBPC), lab, medical administration, mental health, nursing, patient advocacy, pharmacy, primary care, radiology, surgical specialty clinics, and women's health.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Moffett Road

South: County Road 30 (Theodore Dawes Rd) and 26 (Hamilton Blvd)

East: County Road 163(Dauphin Island Parkway) to Government Blvd to Houston St

West: County Road 31 (Schillinger Road)

3. Springfield, MO - Outpatient Clinic

The new Community Based Outpatient Clinic (CBOC) will accommodate 68,000 net usable square feet (nurf)/91,8000 rentable square feet (rsf) with approximately 544

parking spaces. The estimated annual unserviced rent is \$2,749,000. The new clinic will relocate and expand the existing 41,000 nusf Gene Taylor Community Based Outpatient Clinic from Mount Vernon, Missouri, where it currently serves over 17,000 unique Veterans. The new CBOC will continue to provide primary and specialty care, mental health and ancillary services. The new clinic will also provide sleep studies, radiology, Magnetic Resonance Imaging (MRI), laboratory, and dental services.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Sunshine Street
South: US Highway 60 (properties located up to ½ mile South of US 60 will be considered within the boundary)
East: US Highway 65
West: US Highway 160

4. South Bend, IN - Outpatient Clinic Lease

The new Community Based Outpatient Clinic (CBOC) will accommodate 71,403 net usable square feet (nusf)/96,394 rentable square feet (rsf). The estimated annual unserviced rent is \$3,466,515. This CBOC will replace and expand South Bend's outpatient services to meet increasing Veteran demand, and will include following medical services: primary care; women's health care; home-based primary care; nutrition; audiology; tele-eye care and optometry; urology; cardiology; dermatology; physical therapy; podiatry; pulmonary function; some ambulatory procedures such as colonoscopies, sigmoidoscopies, endoscopies, and other minor procedures; ancillary services – laboratory, pharmacy, basic radiology, and prosthetic dispensing; and Compensation & Physical (C&P) exams.

The South Bend lease was authorized by Public Law 112-37 in an amount not to exceed \$6,731,000. The lease increased from 39,000 nusf to 71,403 nusf from the time the prospectus was submitted and when the lease was authorized.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Indiana state border
East: Ash Road north extended to Ash Road
South: Tyler Road/North County Line Road to County Line Road to Tyler Road extended to Ash Road
West: North 900 East east on Route 2/Western Avenue south on Larrison Boulevard/Strawberry Road west on East 50 North/Johnson Road south on County Highway 1100 East extended to Willow Road extended to Willow Road to Adams Street east on Roosevelt Road northeast on Legion Drive southeast on Harrison Street north on Route 23/Liberty Street until Tyler Road/North County Line Road

5. San Jose, CA - Outpatient Clinic Lease

The new Community Base Outpatient Clinic (CBOC) will accommodate 72,000 net usable square feet (nurf)/97,200 rentable square feet (rsf) with approximately 572 parking spaces. The estimated annual unserviced rent is \$5,586,000. This project will replace the existing 72,000 nurf CBOC in San Jose, CA. The CBOC will provide primary care, mental health and specialty care, to include audiology, podiatry and optometry. The clinic will also provide ancillary and diagnostic services, to include general x-ray, laboratory, pharmacy and telehealth.

Delineated area - Properties must be located within the delineated area within the following boundaries:

North: Route 87 (Guadalupe Parkway) to Charcot Avenue
East: I-880 to Highway 101 to Bernal Road
South: Route 85 to Cottle Road to Santa Teresa Boulevard to Highway 101
West: Route 17 to I-880 to Route 87 (Guadalupe Parkway)

6. Butler, PA - Health Care Center (HCC) Lease

The new Health Care Center (HCC) will accommodate 168,000 net usable square feet (nurf)/226,800 rentable square feet (rsf) with approximately 1,035 parking spaces. The estimated annual unserviced rent is \$6,582,000. This project will relocate outpatient services from the current Butler VA Medical Center (VAMC) to a leased build-to-suit HCC in the vicinity of Butler, PA. The new HCC will expand Butler's outpatient space to approximately 168,000 nurf to meet increased Veteran demand. This clinic will serve Veterans from the counties of Armstrong, Butler, Clarion, Lawrence and Mercer. This project will allow VA to continue to provide timely access to state-of-the-art primary care, specialty care, mental health and ancillary diagnostic services in a properly sized facility to meet increased workload.

Delineated area - The proposed site must be within a five (5) mile radius of Eagle Mill Road and Benjamin Franklin Highway (422)