

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

Prospectus Number: PFL-01-VA19
Congressional District: 6

Executive Summary

The General Services Administration (GSA) proposes an outpatient clinic lease of approximately 106,826 net usable square feet (NUSF) for the U.S. Department of Veterans Affairs (VA), currently located in two leases totaling 74,013 NUSF in Daytona Beach, FL.

The lease will be delegated to VA, provide continued services for the Daytona Beach veteran community, and provide the necessary expansion services to meet current and projected service delivery gaps for healthcare in the local market.

Description

Occupant:	Veterans Affairs
Current NUSF:	74,013
Estimated Maximum NUSF:	106,826
Expansion/Reduction NUSF:	32,813 (expansion)
Estimated Maximum Rentable Square Feet:	144,215
Expiration Dates of Current Lease(s):	64,149 NUSF – 10/3/2021 9,864 NUSF – 10/14/2022
Proposed Maximum Leasing Authority:	20 years
Delineated Area:	<u>North:</u> W. Granada Blvd. <u>South:</u> Dunlawton Ave. to Taylor Rd. <u>East:</u> N. Ridgewood Ave. <u>West:</u> S. Tymber Creek Rd., a line connecting to LPGA Blvd., W. International Speedway Blvd., then east on US-4 to Tomoka Farms Rd.
Number of Official Parking Spaces:	750
Scoring:	Operating Lease
Current Total Annual Cost:	\$1,217,653
Current Total Unserviced Annual Cost:	\$791,474
Estimated Unserviced Rental Rate ¹ :	\$38.49 per NUSF
Estimated Total Unserviced Annual Cost ² :	\$4,111,733

¹ This estimate is for fiscal year 2019 and may be escalated by 2.0 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is unserviced (taxes, insurance, management, and maintenance and repair reserves included); however, the lease contract may include operating expenses paid by the lessor.

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

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Justification

A new 106,826 NUSF lease in Daytona Beach will replace and consolidate the two existing leases in the Daytona Beach market, including the 64,149 NUSF William V. Chappell Veterans Multi-Specialty Outpatient Clinic and the 9,864 NUSF Westside Pavilion Uniform Mental Health Services Annex.

The current space in these facilities is insufficient to meet the projected needs of the veteran community. Space limitations and an increase in workload limit veterans' access to services in a timely manner. Additionally, the existing locations have safety and security deficiencies.

The new facility will enhance VA outpatient services by closing space and utilization gaps identified in VA's Strategic Capital Investment Planning process and will provide a single location in the Daytona Beach area to serve the outpatient care needs of veterans and their families. The new lease will allow VA to provide primary care, mental health, specialty care, laboratory and pathology, pharmacy, and radiology and imaging services to veterans in a rightsized, state-of-the-art, and energy-efficient healthcare facility. It will also provide increased access to care for veterans living in the Daytona Beach market who are currently seen in the existing two Community-Based Outpatient Clinics or commute more than 1 hour to a facility in Orlando, FL.

Additionally, a new lease also will provide future flexibility by allowing VA to resize, replace, or exit the proposed clinic lease based on changes in veteran demographics, workload patterns, and emergent healthcare delivery practices.

Summary of Energy Compliance

GSA will incorporate energy efficiency requirements into the Request for Lease Proposals and other documents related to the procurement of space based on the approved prospectus. GSA encourages offerors to exceed minimum requirements set forth in the procurement and to achieve an Energy Star performance rating of 75 or higher.

Resolutions of Approval

Resolutions adopted by the House Committee on Transportation and Infrastructure, and the Senate Committee on Environment and Public Works approving this prospectus will constitute approval to make appropriations to lease space in a facility that will yield the required net usable area.

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Interim Leasing

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

Certification of Need

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

Submitted at Washington, DC, on November 7, 2019.

Recommended:



Commissioner, Public Buildings Service

Approved:



Administrator, General Services Administration