

**PROSPECTUS – LEASE
DEPARTMENT OF VETERANS AFFAIRS
WASHINGTON, DC**

Prospectus Number: PDC-05-WA22

Executive Summary

The General Services Administration (GSA) proposes a lease of approximately 133,000 rentable square feet (RSF) for the Department of Veterans Affairs (VA) currently located in three leases at 1100 First Street NE in Washington, DC. VA has occupied space in the building since June 2011 under three leases that expire on June 25, 2026.

The lease will provide continued housing for VA and will improve VA's office and overall space utilization rates from 93 to 77 and 129 to 109 usable square feet (USF) per person, respectively.

Description

Occupant:	Veterans Affairs
Current RSF:	156,485 (Current RSF/USF = 1.17)
Estimated/Proposed Maximum RSF ¹ :	133,000 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF:	23,485 Reduction
Current USF/Person:	129
Estimated/Proposed USF/Person:	109
Expiration Dates of Current Lease(s):	06/25/2026
Proposed Maximum Leasing Authority:	20 years
Delineated Area:	Washington, DC, Central Employment Area
Number of Official Parking Spaces:	0
Scoring:	Operating Lease
Current Total Annual Cost:	\$7,381,397 (lease effective 6/26/2011)
Estimated Rental Rate ² :	\$50.00 / RSF
Estimated Total Annual Cost ³ :	\$6,650,000

Background

VA's mission is to fulfill President Lincoln's promise "To care for him who shall have borne the battle, and for his widow, and his orphan" by serving and honoring the men and women who are America's veterans. It is a Cabinet-level agency that provides healthcare

¹ The RSF/USF at the current location is approximately 1.19; however, to maximize competition a RSF/USF ratio of 1.20 is used for the estimated proposed maximum RSF as indicated in the housing plan.

² This estimate is for fiscal year 2026 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 the basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government.

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

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services to eligible military veterans at VA medical centers and outpatient clinics located throughout the country; several non-healthcare benefits including disability compensations, vocational rehabilitation, education assistance, home loans, and life insurance; and burial and memorial benefits to eligible veterans and family members at 135 national cemeteries.

GSA will consider whether VA's continued housing needs should be satisfied in the existing location based on an analysis of other potential locations within the delineated area. If other potential locations are identified, a cost-benefit analysis will be conducted to determine whether the Government can expect to recover the relocation and duplication costs of real and personal property needed for VA to accomplish its mission.

Justification

The VA tenants that occupy 1100 First Street NE include the National Cemetery Administration (NCA), Office of Information Technology (OIT), Electronic Health Records Management (EHRM), Veterans Health Administration, and the Office of General Counsel (OGC).

The current leases at 1100 First Street NE expire on June 25, 2026. VA requires continued housing to carry out its mission.

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.

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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.

OMB Memorandum M-21-25 Implementations and Long-Term Space Requirements

The requirements within this prospectus reflect the known space needs prior to its submission to Congress. Agencies continue to develop their return to physical workplaces strategies consistent with OMB Memorandum M-21-25, incorporate lessons learned while working both in-person and under maximum telework during the COVID-19 pandemic, and determine each agency's long-term space posture. Accordingly, the requirements outlined in this prospectus may change prior to award of a lease. In the event that a change results in a revised requirement that makes a material change and does not fit within the acceptable parameters of the congressional resolutions, GSA will submit an amended prospectus for consideration by the House Committee on Transportation and Infrastructure and Senate Committee on Environment and Public Works.

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Certification of Need

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

Submitted at Washington, DC, on 11/17/2021

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Administrator, General Services Administration