



UNITED STATES
DEPARTMENT OF VETERANS AFFAIRS

Enhanced-Use Leasing: VA Medical Center Memphis, TN

Public Hearing

May 12, 2010

Presented by

U.S. Department of Veterans Affairs



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Medical Center Opening Remarks

- Introduction to the Medical Center
 - Welcome to Memphis
 - Current activities at the Medical Center
 - Need for the project



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Overview of the Meeting

- Meeting Overview
 - Enhanced-Use Leasing
 - Overview of the Memphis Opportunities
 - Next Steps / Timeline
 - Questions and Answers



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Overview of the Meeting

- Public Hearing Parameters
 - As stated in the public hearing notice, the purpose of this hearing is to receive the views of the veterans services organizations, local residents and commercial enterprises, neighborhood and community associations, and other interested parties regarding VA's proposal.



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Overview of the Meeting

Enhanced-Use Leasing

An Overview of VA's EUL Authority



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Enhanced-Use Leasing Overview

- Pursuant to its Enhanced-Use Lease statute, 38 U.S.C. § 8161, *et seq.* (the “Statute”), the Department is authorized to lease VA-controlled property to other public and private entities for a term of up to 75 years.
 - Term depends on proposed use
 - EUL is for a leasehold estate only (no property sale by VA)
 - Partnership with a developer to maximize the return on underutilized VA property
 - Fair consideration (cash, services, space, or other “in-kind” consideration)
 - Not inconsistent with VA’s mission



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Enhanced-Use Leasing Overview

- Benefits:
 - Converts under-performing property into productive assets
 - Enhances services for veterans and improves VA property
 - Increases value and benefit of VA land and buildings
 - Enhances local development and economic trends
 - Allows VA to better manage capital assets and “leverage” value to support local needs and budgets



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Enhanced-Use Leasing Overview

- EUL sequence of steps include:
 - Concept submission and approval
 - Public Hearing
 - Studies (market, feasibility, environmental, etc.)
 - Industry Forum
 - Request for Proposal (RFP)
 - Selection of developer
 - Negotiation of lease agreement
 - Execute lease agreement



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Enhanced-Use Leasing Overview

- Examples of VA EULs include:
 - Consolidation / Realignment of VA campuses
 - Senior retirement housing
 - Transitional housing
 - Child care centers
 - Energy facilities
 - Parking garages
 - VA office collocations with VBA
 - Mixed Use



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The EUL Opportunities on the Memphis Campus



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EUL Opportunity 1



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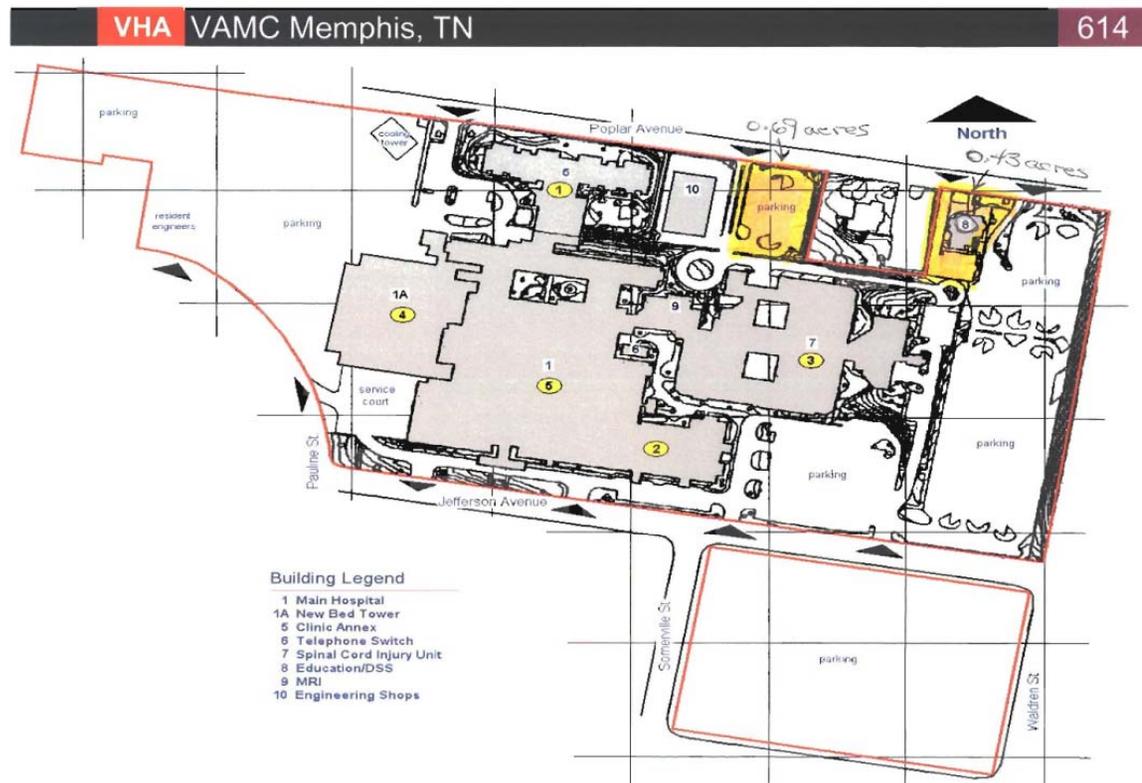
Opportunity 1

VA will:

- Contribute two parcels acres and one existing building
 - 0.69 acres vacant
 - 0.43 acres plus Building 8 (5,800 SF GBA)

The EUL developer will:

- Construct parking for VA and private use
- Develop remaining land per market





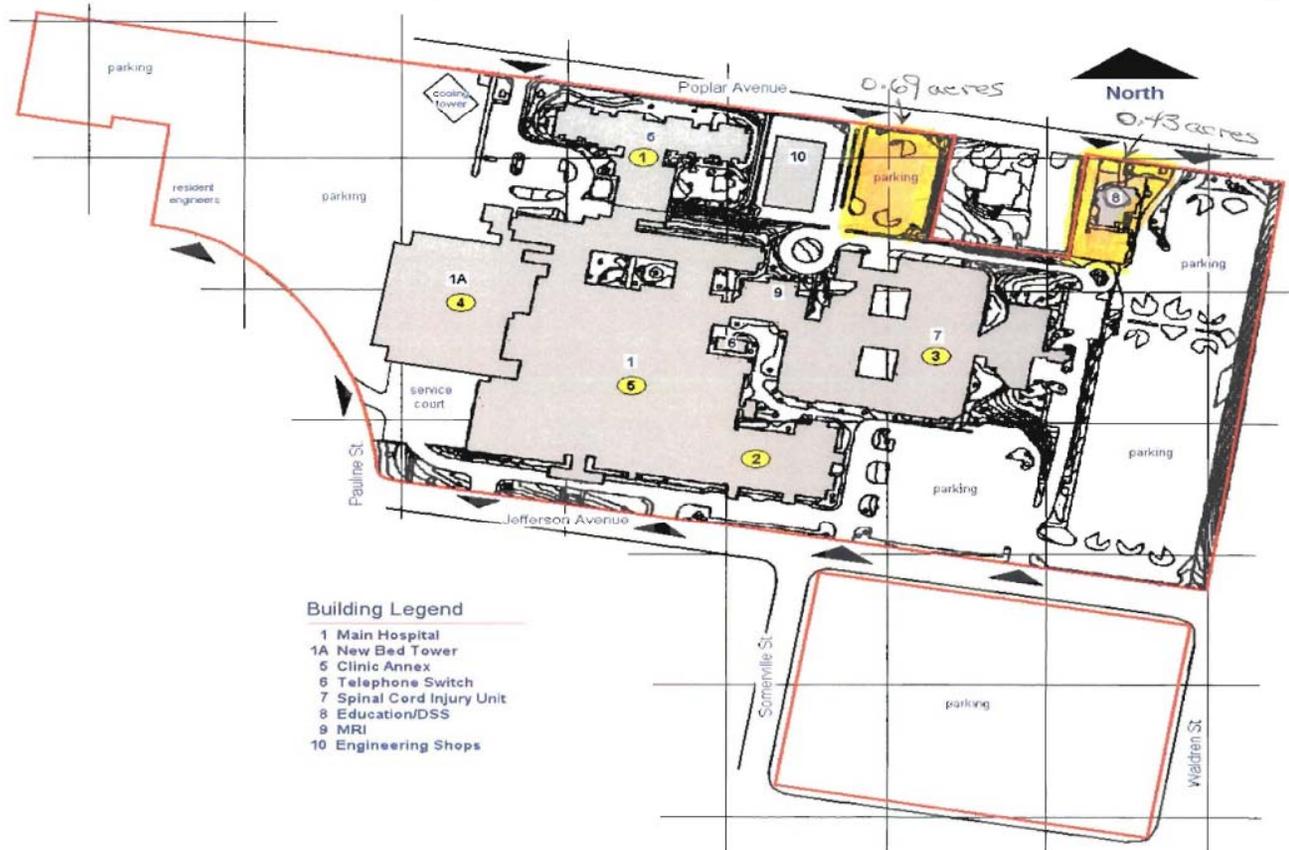
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Opportunity 1

VHA VAMC Memphis, TN

614





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Opportunity 1

- Possible market uses include, but are not limited to:
 - Parking Garage along with:
 - o Professional office
 - o Medical office
 - o Commercial office
 - o Hospitality
- Each developer must determine feasibility for new construction and for reuse of existing buildings



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EUL Opportunity 2



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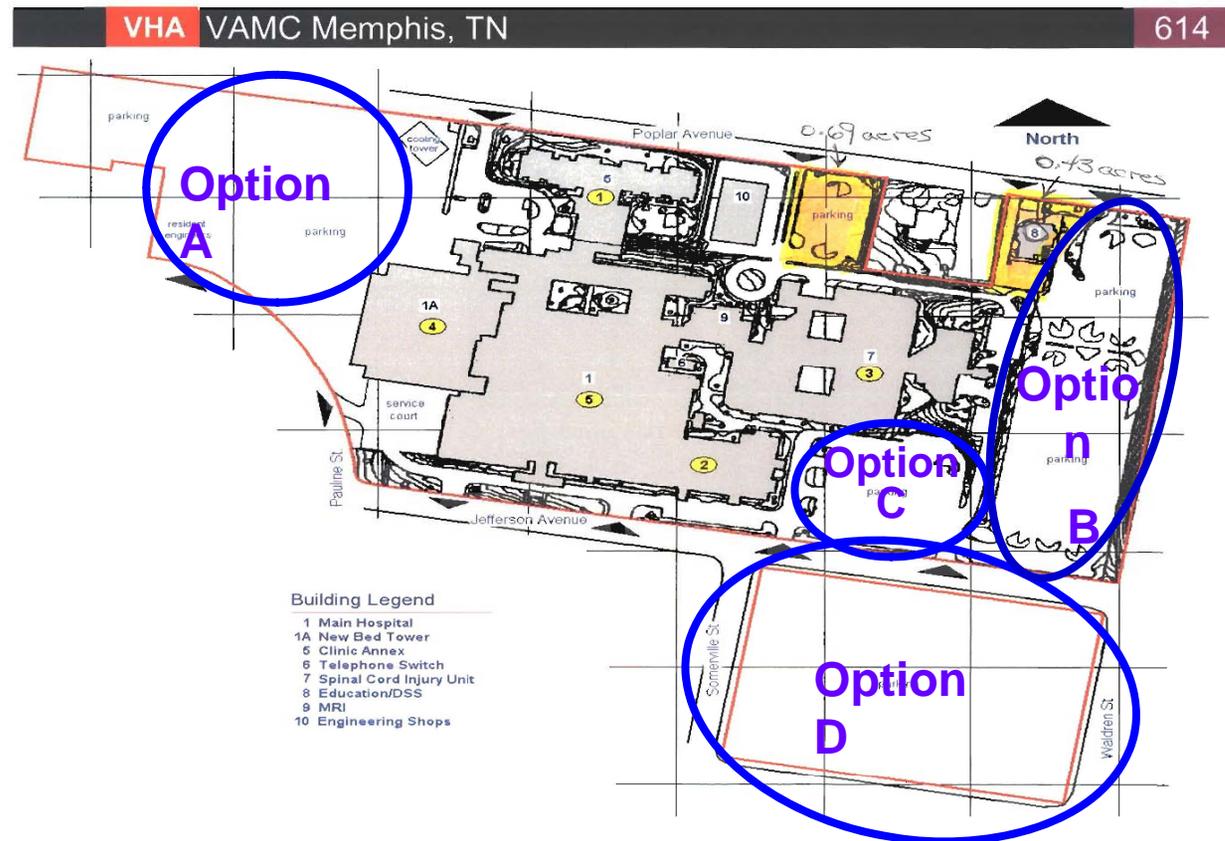
Opportunity 2

VA will:

- Provide one or more existing surface parking parcels (A, B, C, D)

The EUL developer will:

- Provide increased parking by constructing a parking garage on the selected parcel(s)





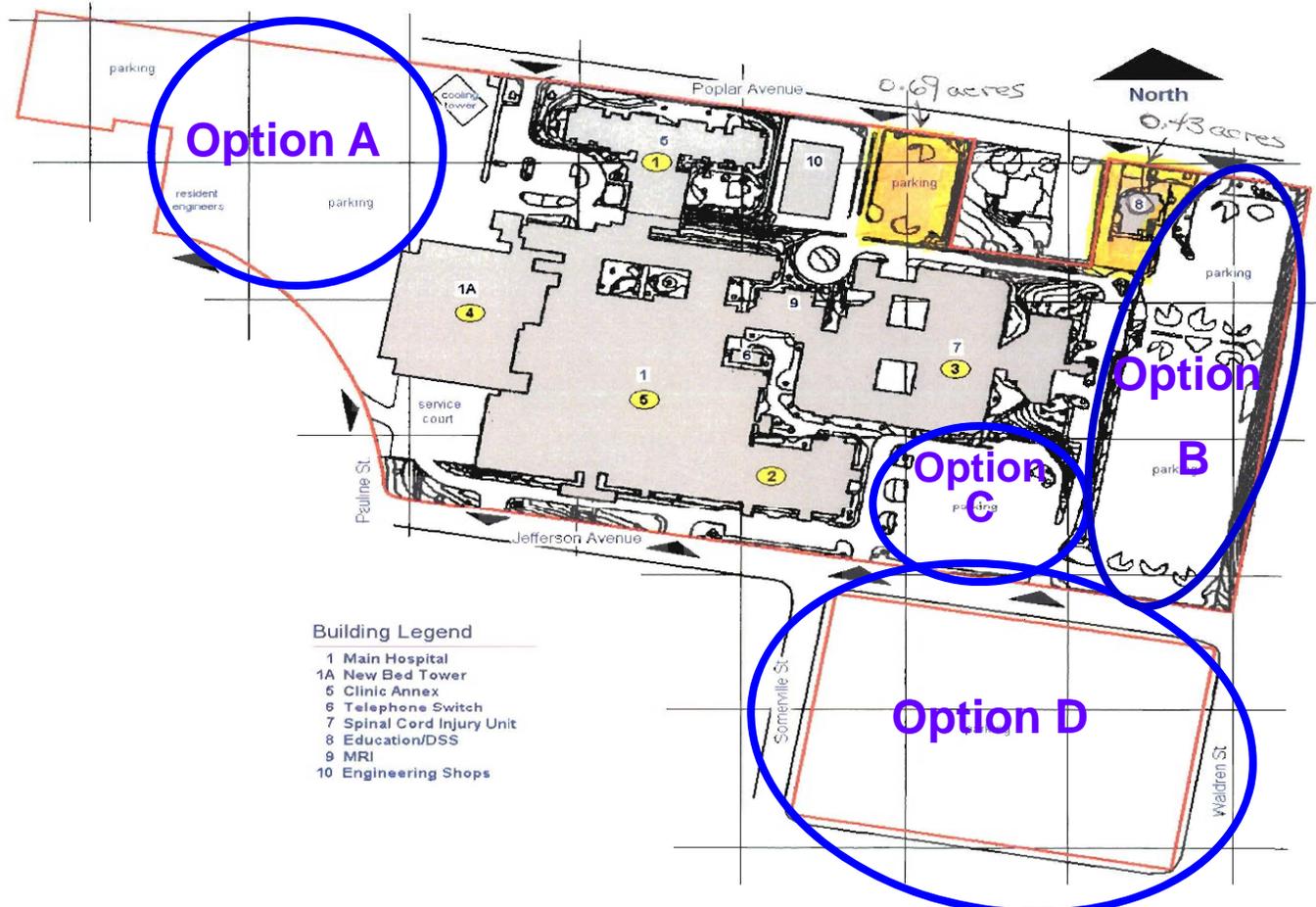
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Opportunity 2

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Opportunity 2

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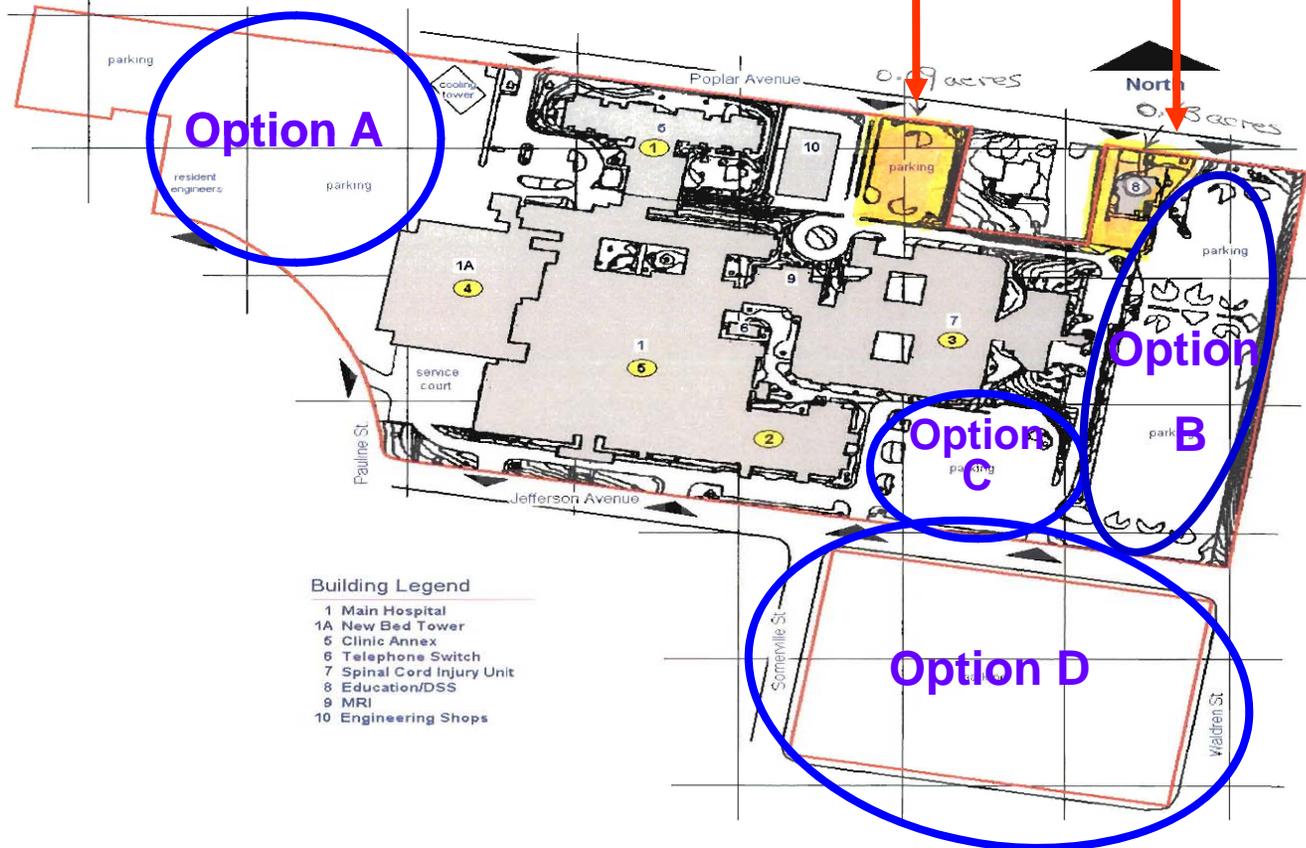
Opportunities 1 & 2

EUL I: North
Parking Lot

EUL I:
Building 8

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In-Kind Consideration

VA needs additional parking.

- Opportunity 1 provides for a modest increase of parking
- Opportunity 2 provides for a substantial increase of parking
- Developers for both opportunities would provide additional parking construction as part of the in-kind consideration
- Developers may also propose other in-kind consideration



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Next Steps / Timeline

- Next steps include:
 - Concept submission and approval completed
 - Public Hearing (May 12, 2010) completed
 - Studies in progress
 - Industry Forum July 2010
 - Request for Proposal (RFP) August 2010
 - Selection of developer December 2010
 - Negotiation of lease agreement TBD
 - Execute lease agreement TBD



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Conclusion

- VA project website has additional information (www.va.gov)

<http://www4.va.gov/ASSETMANAGEMENT/EnhancedUse/Memphis/index.asp>

- Please consult the website for periodic updates



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Comment Session Parameters

In order to recognize all those who would like to ask questions or make statements for the record we will proceed with the hearing using the following format:

1. Each respondent will be given up to five (5) minutes for a question or statement.
2. We are using time limits to ensure we hear from all of the interested parties present.



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Comment Session Parameters

3. We will first recognize those individuals who have registered to speak on the sign-up sheets provided at the entrance to the Auditorium.

4. When we call your name, please step to the microphone located in the center aisle and state your name, the organization you represent, and then ask your question or make your statement for the record.



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Comment Session Parameters

5. After we have called on all of the people listed on the sign-up sheets, we will then take questions or statements from the floor. We ask that you approach the microphone, state your name and organization and ask your question or make your statement. Please speak clearly to ensure we accurately entered your comments/questions into the record of this proceeding.

6. We will attempt to address as many questions or concerns as you have, however, the purpose of the hearing is to identify those questions and concerns and take them under consideration when we prepare our request for the enhanced-use lease.



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Questions and Answers

An open discussion of the VA EUL
opportunities

Q&A will be posted on VA's EUL Project Website



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