

FY 2010 ENHANCED-USE LEASE CONSIDERATION REPORT EXECUTIVE SUMMARY



Housing



Energy Center



Parking

Department of Veterans Affairs

Office of Asset Enterprise Management
Washington DC 20420

**ENHANCED-USE LEASE
CONSIDERATION REPORT
FY 2010**

May 2011
FINAL REPORT

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Acronyms and Abbreviations

Acronyms:

BOMA – Building Owners and Managers Association
CBOC – Community Based Outpatient Clinic
EUL – Enhanced-use lease
FMA – Funded Maintenance Account
RO – Regional Office
SIOR – Society of Industrial and Office Realtors
SRO – Single Room Occupancy
O&M – Operations and Maintenance
VA – Veterans Affairs, Department of
VAMC – Veterans Affairs Medical Center

Abbreviations:

Avg – Average
Bldg(s) – Building(s)
Dom. – Domiciliary
Mgmt – Management
Mo. – Month
Vet(s) – Veteran(s)

Executive Summary

The Department of Veterans Affairs (VA) publishes its enhanced-use lease (EUL) consideration report annually. The report describes VA's stewardship of its underutilized real property assets, detailing the motivation and terms of each lease. The consideration report is a living document that provides a transparent view of the measurable outcomes of VA asset utilization through the EUL program. The report serves as a blueprint for effectively managing EULs to ensure a safe and appropriate environment for the delivery of cost-effective benefits to Veterans. The report also incorporates some soft, more difficult to quantify benefits – such as improved health-care outcomes and quality of life, customer service and satisfaction for Veterans, socioeconomic stimulus and benefits to local communities, and improved community relations.

Under the EUL authority (sections 8161–8169 of title 38 U.S.C.), VA may lease land and/or buildings to the public or private sector for up to 75 years. The leased property may be developed for non-VA and/or VA uses that are compatible with the mission of the Department. In return for the lease, the Department obtains fair value consideration in the form of revenue, facilities, space, and services. VA continuously explores ways to expand the use of this capital asset management tool, and ways to streamline the process.

EUL projects are divided into three major categories according to the type of benefits provided:

- **Direct service to Veterans.** EULs under this category provide Veterans with services that are not available at VA medical centers. Examples include housing, hospice and crisis triage facilities. This type of project provides increased access to health care, improved satisfaction and quality of life for Veterans and their families, improved relations with the community, and other socioeconomic benefits.
- **Improved VA operations.** EULs under this category contribute to improved use of VA's resources to enhance services to Veterans. Examples include regional office collocations, parking, consolidation of services, energy generation, visitor centers, and public safety buildings. Benefits include improved services, access, positive impact in the community, and increased Veteran satisfaction.
- **Community benefits.** EULs under this category provide services to the general community. Examples include golf courses, affiliate partnering, credit unions and asset management facilities. The main impact of these leases is through revenue generation, cost avoidance, community improvement and employee/Veteran satisfaction.

In this report, we attempt to quantify the consideration VA realizes from its EULs in terms of cash (**revenue**) and in-kind consideration (**cost avoidance, cost savings, and enhanced services**) to Veterans or VA employees, net of any new **VA expense** generated by the lease (excluding overall lease administration costs).

At the close of FY 2010, VA had awarded a total of 60 enhanced-use leases, 46 of which are operational, including Pershing Hall; 6 are awarded but not yet operational, 2 converted into a property disposal, and 6 have been terminated. Fifty-two EULs are featured in this report, with individual project summaries, highlights, and outcomes.

Cumulative EUL considerations

	Revenue	Cost Avoidance	Cost Savings	Enhanced Services	VA Expense	Total
2006	\$23.2m*	\$22.8m	\$4.1m	\$5.7m	\$.8m	55.0m
2007	\$1.1m	\$30.3m	\$3.7m	\$8.7m	\$.2m	\$43.6m
2008	\$1.5m	\$31.0m	\$6.1m	\$9.2m	\$0.0m	\$47.8m
2009	\$1.5m	\$32.0m	\$7.3 m	\$14.6m	\$0.0m	\$55.4m
2010	\$3.1m*	\$32.6m	\$5.6 m	\$18.6m	\$0.0m	\$59.9m
Cumulative since 2006	\$30.4m	\$148.7m	\$26.8m	\$56.8m	\$1.0m	\$261.7m

* includes one- time payments from Lakeside (\$22m in 2006) and Cleveland (\$2m in 2010) EUL projects

VA executed a total of 16 transitional housing facilities for homeless or at-risk Veterans through the EUL program. These projects created 1,066 housing units. Three of the 16 transitional housing facilities began operations in FY 2010, providing 135 housing units (of the 1,066 units) for Veterans.

Background on VA Enhanced-Use Lease (EUL) Program

Changes in the national health care delivery system and demographics have created both expensive inefficiencies and exciting opportunities for the government. The VA infrastructure was designed and built when hospitalization and inpatient care were the norm. The new paradigm of health care delivery, supported by medical and technological advances, allows the delivery of most patient care through outpatient services. Veteran demographics are also changing. Since World War II, the Veteran population has shifted to the west and south of the United States along with the general population. The current VA network-based health care system often requires a different set of assets and infrastructure than those in VA's current inventory of buildings and land.

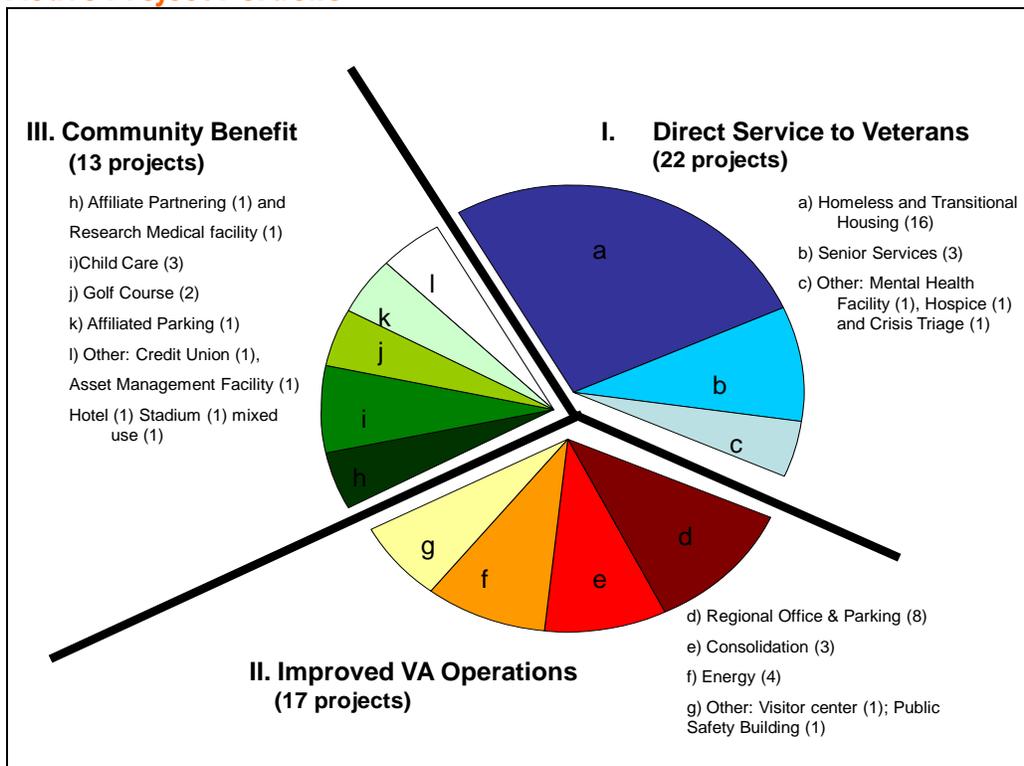
VA obtained legislative authority in 1991 (sections 8161–8169 of title 38 U.S.C.) to enter into enhanced-use leases to better serve our Nation's Veterans through expanded services and better allocation and use of available resources. An EUL is a cooperative arrangement

in which underutilized VA properties are made available to public or private entities in exchange for monetary and/or in-kind consideration that furthers VA's mission. The amount and type of consideration varies from lease to lease, depending on the nature of the project, market demand, the amount and type of VA assets involved, and the creativity of the parties negotiating the venture.

A key component of the EUL program is close coordination with and involvement of the local government and community as full partners in the development process. For example, VA must hold a public hearing at the location of any proposed EUL to obtain Veteran and local community input. VA must also provide a notice to its Congressional Veterans' Affairs Committees prior to entering into an EUL. Close collaboration with community leaders and interested stakeholders enables VA to address concerns early in the planning and development process.

The EUL authority allows VA to realign its asset portfolio in a way that creates value for stakeholders throughout the community. Local governments, Veterans groups, private partners, and community members benefit as underutilized properties are redeveloped to provide new services or economic opportunities for Veterans and the local community.

Active Project Portfolio



Note: In FY 2009 the Fort Howard, Maryland Life Care Community EUL was terminated and the North Chicago, Illinois Medical School EUL was disposed.

For VA, EULs are tools that allow the accomplishment of particular goals that otherwise could not be achieved, such as:

- Strengthening the network of local services available to Veterans
- Distributing costs of VA capital investments

- Transferring maintenance costs of land and improvements (without incurring the cost of disposal or continued maintenance)
- Creating innovative community partnerships

This report will demonstrate an ongoing commitment to monitor VA resources and program outcomes more effectively. Gathering information for this report involves a series of field consultations and multiple data questions with numerous factors and no easy answers. Our goal is to present the best available information in a clear and consistent manner. Much progress has been achieved since 2006 toward standardizing data collection and using benchmarks for each project. We will continue to improve and standardize the way we capture and report EUL project cost-benefit outcomes.

EUL benefits are intrinsically challenging to quantify because of the difficulty in quantifying soft data. For example, quality of life improvements associated with collocating new housing for Veterans on VA medical center campuses are widely acknowledged, but are difficult to quantify objectively and therefore not given dollar values in this report. In other cases, certain benefits could not be quantified due to current data limitations.

EUL projects can be divided into three major categories according to the type of benefits provided.

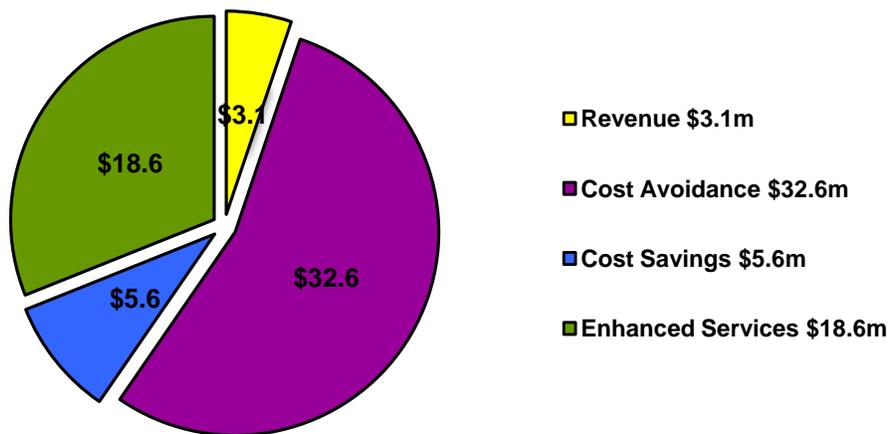
- **Direct service to Veterans.** EULs in this category provide Veterans with certain services that are not available at VA medical centers. Examples include housing, hospice, and crisis triage facilities acquired through the EUL. Our partners provide Veterans with priority placement, and in some cases serve Veterans exclusively. All these projects represent cost avoidance to VA in terms of bed days of care. Housing projects provide safe, affordable shelter and living arrangements near health care providers, which contributes to positive outcomes for Veterans. This type of project has many non-quantifiable benefits such as increased access to health care, improved satisfaction and quality of life for Veterans and their families, improved relations with the community, and other socioeconomic benefits.
- **Improved VA operations.** EULs in this category contribute to improved use of VA resources to enhance services to Veterans. Examples include regional office collocations, parking, consolidation of services, energy generation, visitor centers, and public safety buildings. Unlike direct services to Veterans, this type of lease provides services or cost avoidance directly to VA and contributes to better use of VA infrastructure and/or resources. Through a joint venture with a private or public partner, VA is able to spread the capital costs associated with the improvements or services obtained, allowing VA to improve access and increase its geographical base of operation. Benefits such as improved services, access, positive impact on the community, and increased Veteran satisfaction are not easily quantifiable.
- **Community benefits.** EULs in this category provide services to the general community. Examples include research and development facilities, golf courses, affiliate partnering, credit unions and asset management facilities. The services provided by our partners are directed to the general community as well as to our Veterans. The main impact of these leases is through revenue generation, cost avoidance, and difficult-to-quantify benefits such as community improvement and increased employee/Veteran satisfaction.

In this report, we attempt to quantify the consideration VA realizes from its EULs in terms of **revenue** (cash or in-kind), **cost avoidance**, **cost savings**, and **enhanced services** to Veterans or VA employees, net of any new **VA expense** generated by the lease (excluding overall lease administration costs).

Revenue	Cost Avoidance	Cost Savings	Enhanced Services	VA Expense
New cash or in-kind receipts to VA	Amount VA would have paid to maintain facility and/or deliver services in the absence of an EUL	Discounts realized on necessary VA purchases, such as energy, office space, or parking	Value of new or discounted newly available services to Veterans or VA employees	New expenses associated with the lease (not already subtracted in calculation of cost savings)
(+) Impact on VA Operating Budget			Budget Neutral	(-) Impact on VA Operating Budget

At the close of FY 2010, VA had awarded a total of 60 enhanced-use leases, 46 of which are operational, including Pershing Hall; 6 are awarded but not yet operational, 2 converted into a property disposal, and 6 have been terminated. In this report, 52 EULs are featured with individual project summaries, highlights, and outcomes. Across project types, EULs generated \$59.9 million in total consideration to VA in FY 2010, including \$3.1 million in revenue received (one-time payment of \$2 million for Cleveland EUL project), \$32.6 million in cost avoidance, \$5.6 million in cost savings, and \$18.6 million in enhanced services. Since 2006, the EUL program has cumulatively generated \$261.7 million in total consideration to VA, including \$30.4 million in revenue, \$148.7 million in cost avoidance, \$26.8 million in cost savings, and \$56.8 million in enhanced services.

FY 2010 EUL Program Consideration Highlights (\$ millions)

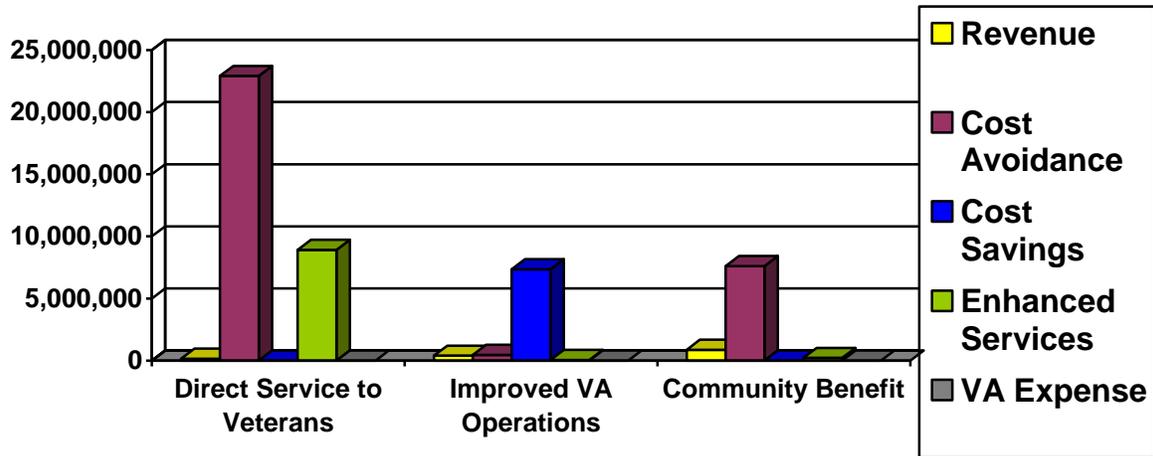


Enhanced services were re-evaluated in 2010. For this report, enhanced services were calculated using the total number of housing units created by the EUL projects instead of number of Veterans placed in these housing facilities. This methodology was based on the benefits provided to Veterans as well as non-Veterans.

Average Recurring Consideration per Project Category

The form of consideration varies by project and project category. On average, direct service projects tend to generate the majority of their value through enhanced services, such as providing priority placement to Veterans in housing programs. In contrast, improved VA operations projects tend to deliver the majority of their value through cost savings on large VA purchases, such as energy, office space, and parking. Community benefit projects affect VA primarily through cost avoidance associated with the transfer of operation and maintenance costs for leased buildings and land.

2010 Comparison of Consideration by Project Category



Cumulative Data Comparison

Year	Revenue	Cost Avoidance	Cost Savings	Enhanced Services	VA Expense	Total
2009	\$1.5m	\$32.0m	\$7.3 m	\$14.6m	\$0.0m	\$55.4m
2010	\$3.1m*	\$32.6m	\$5.6 m	\$18.6m	\$0.0m	\$59.9m
Cumulative since 2006	\$30.4m	\$148.7m	\$26.8m	\$56.8m	\$1.0m	\$261.7m

*includes one-time consideration in the amount of \$2.0 million received for the Cleveland, Ohio project

Strategic Vision for 2011

The goals of the EUL program are to decrease VA's inventory of underutilized real property and maximize value; decrease VA costs for maintaining underutilized capital assets; and use lease proceeds to enhance Veteran services.

In 2008, to enhance the goals of the EUL program, VA began the Site Review Initiative (SRI) as a Department-wide assessment of vacant and underutilized land and buildings. As a result of the SRI, VA began to execute Mission Homeless EULs on a national scale and began providing additional housing for homeless Veterans and Veterans at risk of homelessness. VA is currently pursuing Mission Homeless projects nationally and is seeking development partners for these EUL projects. Developers are expected to provide safe, affordable housing options with supportive services to help Veterans obtain independence.

As a follow-up to the SRI, any projects not currently being pursued (or any facility with multiple buildings available) will be included in VA's Building Utilization Review and Reuse initiative (BURR). VA initiated BURR to determine appropriate repurposing of underutilized capital assets. The BURR initiative will build and expand upon the SRI efforts to develop underutilized assets for housing homeless Veterans. If housing is not appropriate, capital assets may be made available to other VA organizations, community partners, or private development partners for potential development consistent with VA's mission to support Veterans. This process will serve as a baseline strategic assessment of VA capital assets and will establish guidelines for the best use of underutilized buildings in 2011 and beyond.

The EUL program continues to support VA's goal of eliminating homelessness for Veterans. VA executed a total of 16 transitional housing facilities for homeless or at-risk Veterans through the EUL program. These projects created 1,066 housing units. Three of the 16 transitional housing facilities began operations in FY 2010, providing 135 housing units (of the 1,066 units) for Veterans.

Through SRI and BURR, VA expects to drastically increase the number of transitional and homeless housing facilities with the goal of providing housing and services for homeless Veterans and Veterans at risk of homelessness.

Quick Guide to EUL Summaries

Direct Service to Veterans

Project Categorization
within this report

Homeless & Transitional Housing

MINNEAPOLIS, MINNESOTA

Single Room Occupancy

Original Project Title

MOTIVATION: According to a 2001 statewide survey, there are approximately 3,413 homeless veterans in the major metro area of the Twin Cities, MN. Of 686 homeless veterans surveyed in 2001, 45% were clinically diagnosed with a serious mental health disorder and 52% considered themselves to be chemically dependent. Fifty-seven (57%) percent received either inpatient or outpatient alcohol or drug treatment in the last two years. The Department of Veterans Affairs faces the challenge of providing homeless veterans with access to safe, supportive housing and rehabilitation from chronic and debilitating health conditions. The VA has successfully treated for their mental health conditions, maintaining those health improvements through capital expense to VA.

Description of project background, consideration pre-2005 and benefits that could not be quantified, as applicable

"Funded Maintenance Account"
contribution, as applicable. This account ensures funds are available for capital repairs to maintain property improvements over the lease term.

FMA Contribution: \$100,000 total in 2006

	Lessee	Property	Key Terms	Awarded	Term
Terms	Hennepin County Housing and Redevelopment Authority	4.34 acres, 4 buildings (11, 12, 13, 14)	<ul style="list-style-type: none"> Priority placement for veterans in 51% of units Lump sum payment \$300k Funded Maintenance Account (\$2/ sq ft, not to exceed \$22,000) 	2005	60 years

Outcomes

	Consideration	Description	\$ Value	Total
2005	Revenue	Forms of consideration that directly affect VA's operating budget	0,000	\$305,000
	Cost avoidance		5,000	
	Cost savings			
	Enhanced services	A quantifiable benefit to veterans or VA employees resulting from the lease that does not directly affect VA's operating budget		
	VA expense			
2006	Revenue	An expense incurred by VA in part or majority due to this lease	\$0	\$4,312,000
	Cost avoidance		\$5,000	
	Cost savings	▪ N/A	\$0	
	Enhanced services	▪ 59 veterans placed x \$200/day x 365 days	\$4,307,000	
	VA expense	▪ N/A		

"Not Applicable." Remember that our reporting each type of consideration, benefit, or expense means that many fields will read "N/A"

*1. Facility began placing residents in August 2006, serving 100 veterans

Footnotes may appear below "Terms" and "Outcomes" tables.

Direct Service to Veterans

Homeless & Transitional Housing

BARBERS POINT, HAWAII

Single Room Occupancy (SRO)



MOTIVATION: Barbers Point, Hawaii recognized the unmet need for supportive services, such as housing, for homeless Veterans throughout the community. Through this EUL project, VA was able to provide at least 118 beds to homeless Veterans on a priority basis.

Benefits to Veterans: This project is designed to provide safe, supportive, and affordable housing to mentally ill, disabled, and single adult homeless Veterans, while reducing or avoiding potentially more expensive medical care and services. In a supportive housing environment, Veterans are able to reunite with their families, receive complex treatment protocols and services in outpatient care settings, create a life off the streets, and avoid incarceration.

Benefits to VA: This project expands services to Veterans without capital or operating cost to VA.

FMA Contribution: \$20,000

Terms	Lessee	Property	Key Terms	Awarded	Term
	Cloudbreak, Hawaii, LLC	6 acres, 3 Buildings (65,963 sq ft)	<ul style="list-style-type: none"> ▪ Lessee to construct no less than 118 beds for homeless Veterans and non-Veterans. ▪ First Priority placement for Veterans ▪ Rent: 2% gross revenue ▪ Funded Maintenance Account (\$0.20 per sq ft) not required to exceed \$65,963 	2003 <i>(Operations began: September 2003)</i>	50 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ Rent	\$16,111	\$9,238,486	\$23,683,379
	Cost avoidance	▪ Bed days of care	\$4,407,375		
		▪ Facility maintenance	\$525,000		
		▪ Homeless per diem	\$1,883,400		
	Cost savings	▪ N/A	\$0		
Enhanced services	▪ 150 Veterans*	\$2,406,600			
VA expense	▪ N/A	\$0			
2010	Revenue	▪ Rent	\$19,978	\$6,924,683	\$30,608,062
	Cost avoidance	▪ Bed days of care	\$2,429,805		
		▪ Facility maintenance	\$667,000		
		▪ Homeless per diem	\$1,192,716		
	Cost savings	▪ N/A	\$0		
Enhanced services	▪ 156 units*	\$2,615,184			
VA expense	▪ N/A	\$0			

*Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number of units versus the number of Veterans placed.

Direct Service to Veterans

Homeless & Transitional Housing

BATAVIA, NEW YORK

Transitional Housing



MOTIVATION: Many Veterans in the Western New York area are homeless with multiple medical conditions and have difficulty securing safe, supportive housing with services necessary to allow them to reenter the community and become self sufficient. VA identified the need to improve Veterans' opportunities for transitional housing and the accompanying services. Through this EUL, VA was able to obtain a transitional housing facility consisting of a renovated ward with no less than 7 two-bedroom units and 4 one-bedroom units.

Benefits to Veterans: This project is designed to provide safe, supportive, and affordable housing to homeless Veterans. The

proximity to the Medical Center campus ensures easy access to treatment and services to support recovery and improved life opportunities.

Benefits to VA: The completion of this project will yield cost savings for the VA Western New York Healthcare System – Batavia Division for utilities, maintenance and cost avoidance from the reduction in the number of inpatient psychiatric and residential rehabilitation episodes of care.

FMA Contribution: N/A (Effective when operational)

Terms	Lessee	Property	Key Terms	Awarded	Term
	The Cazenovia Recovery Systems Corporation	7,196 square feet	<ul style="list-style-type: none"> Lessee to develop, construct, finance, design, operate, repair, and maintain a transitional housing facility consisting of 7 two-bedroom units and 4 one-bedroom units for a total of 18 beds in Ward A of Building 1. The transitional housing solely for Veterans Funded Maintenance Account \$4,100 per year 	2008 (anticipated operations to began in FY 2011)	40 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009		<i>Operations expected FY 2011</i>			
2010		<i>Operations expected FY 2011</i>			

Direct Service to Veterans

Homeless & Transitional Housing

BATTLE CREEK, MICHIGAN

Homeless Residential Program



MOTIVATION: To support the Battle Creek VAMC's operations and enhance its Veteran care and services by providing transitional housing to homeless Veterans, and to strengthen existing relationships with the general Battle Creek community by addressing homeless Veteran concerns. The proposed housing with supportive services would help improve the physical and mental health of residing Veterans.

Benefits to Veterans: This project is designed to provide safe, supportive, and affordable housing to homeless Veterans, which helps them to function at a much higher level. The proximity to the Medical Center campus ensures easy access to the

necessary treatment to support full recovery and new life opportunities to the Veterans served. In addition, Veterans will receive professional counseling, case management and job training services.

Benefits to VA: This project expands services to Veterans without capital or operating cost to VA.

FMA Contribution: 13,623

Terms	Lessee	Property	Key Terms	Awarded	Term
	Medallion Management, Inc.	4.95 acres	<ul style="list-style-type: none"> To design, construct operate, maintain and provide transitional residence services for 75 beds for homeless adults and Veterans. Priority placement for VA-referred Veterans Funded Maintenance Account of \$26,000 	2008 <i>(Operations began: FY 2010)</i>	50 years with 25 Year renewal option

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006	
2009	Not Yet Operational					
2010	Revenue	<ul style="list-style-type: none"> Rent 	\$14,345	\$3,794,638	\$3,794,638	
	Cost avoidance	<ul style="list-style-type: none"> Bed days of care Facility maintenance Homeless per diem 	\$2,140,543 \$85,024 \$1,050,726			
		Cost savings	<ul style="list-style-type: none"> N/A 			\$0
		Enhanced services	<ul style="list-style-type: none"> 75 units 			\$504,000
	VA expense	<ul style="list-style-type: none"> N/A 	\$0			

Direct Service to Veterans

Homeless & Transitional Housing

BEDFORD, MASSACHUSETTS

Single Room Occupancy (SRO)



MOTIVATION: Bedford, MA recognized the acute need for safe, affordable housing for greater Boston's homeless Veteran population. Because of the overall high cost of rental housing throughout greater Boston, the only affordable housing available is often in unsafe areas where alcohol and drug abuse are widespread.

Benefits to Veterans: This project is designed to provide safe, supportive, and affordable housing to mentally ill, disabled, and single adult homeless Veterans. **Benefits to VA:** This SRO facility provides revenue, as well as enhanced services to Veterans, at no capital cost to VA.

*Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number units versus the number of Veterans placed. Other Services to Veterans include educational training, group discussions, case management, etc reported by the local medical center

FMA Contribution: \$ 19,500

Terms	Lessee	Property	Key Terms	Awarded	Term
	Bedford Veterans Quarters, Inc	Building #5 (23,686 sq ft)	<ul style="list-style-type: none"> ▪ Lessee to rehabilitate, construct, maintain, repair and operate 60-unit SRO facility and associated facilities ▪ 100% priority placement for eligible Veterans in all services offered ▪ Rent: \$3.14/ sq ft during 1st yr operations; annual rent after renovations will be based on par with sq ft cost of all campus buildings ▪ Funded Maintenance Account (\$2/ sq ft, not required to exceed \$19,500) 	2005 <i>(Operations began: 2008)</i>	75 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ Rent	\$78,404	\$2,954,764	\$5,413,524
	Cost avoidance	<ul style="list-style-type: none"> ▪ Bed days of care \$1,469,125 ▪ Facility maintenance \$91,835 ▪ Homeless per diem \$627,800 			
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ 50 Veterans	\$687,600		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ Rent	\$74,375	\$3,005,406	\$8,418,938
	Cost avoidance	<ul style="list-style-type: none"> ▪ Bed days of care \$1,272,755 ▪ Facility maintenance \$98,450 ▪ Homeless per diem \$624,756 			
	Cost savings	▪ N/A	\$0		
	Enhanced services	<ul style="list-style-type: none"> ▪ 60 units \$832,320 ▪ Other services \$102,750 			
	VA expense	▪ N/A	\$0		

Direct Service to Veterans

Homeless & Transitional Housing

BUTLER, PENNSYLVANIA

Homeless Residential Program



MOTIVATION: Butler, PA recognized the unmet need for supportive services and affordable housing for Veterans. This EUL will create additional transitional residence units for Veterans in Butler, PA. The expansion site is located directly adjacent to Deshon Place (Building 5) on the Butler VAMC campus. The expansion will require construction of a two-story attached addition to Building 5. The expansion is expected to require approximately 0.20 acres. The proposal will add a wing of ten single-occupancy units to the original program.

Benefits to Veterans: This project is designed to provide safe, affordable housing to mentally ill, disabled, and single adult homeless Veterans. The proximity to the Medical Center campus ensures easy access to treatment and services that support recovery and improved life opportunities for the Veterans served.

Benefits to VA: This expansion will provide the VAMC with \$1,000,000 of construction and improvements to Building 5 (Deshon Place) and \$1,875,702 of in-kind services with supportive housing for Veterans over the term of the lease.

FMA Contribution: \$58,667

Terms	Lessee	Property	Key Terms	Awarded	Term
	County of Butler	.20 acres underutilized land	<ul style="list-style-type: none"> ▪ To design, construct, operate, maintain and provide transitional residence services for homeless adults and Veterans. ▪ Priority placement for VA-referred Veterans ▪ Funded Maintenance Account ▪ Addition of 10 single-occupancy units 	2007 <i>Operations began: 2010</i>	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	<i>Operational FY 2010</i>				
2010	Revenue	<ul style="list-style-type: none"> ▪ Rent 	\$0	\$461,327	\$461,327
	Cost avoidance	<ul style="list-style-type: none"> ▪ Bed days of care ▪ Facility maintenance ▪ Homeless per diem 	\$260,366 \$0 \$127,791		
	Cost savings	<ul style="list-style-type: none"> ▪ N/A 	\$0		
	Enhanced services	<ul style="list-style-type: none"> ▪ 10 units 	\$73,200		
	VA expense	<ul style="list-style-type: none"> ▪ N/A 	\$0		

Direct Service to Veterans

Homeless & Transitional Housing

DAYTON, OHIO

Homeless Housing



MOTIVATION: Dayton, OH recognized the unmet need for safe, clean and affordable housing opportunities in the area for homeless Veterans. Through this EUL Project, Ohio Avenue Commons, LLC (OAC) will develop, renovate, construct, operate, and maintain Building 402 of the property, providing no less than twenty-seven (27) units of transitional housing and related supportive services for eligible Veterans and non-Veterans.

Benefits to Veterans: This project is designed to provide safe, supportive, and affordable housing to mentally ill, disabled, and single adult homeless Veterans. The proximity to the Medical Center campus ensures easy access to treatment and services

that promote recovery and improved life opportunities for the Veterans served.

Benefits to VA: This lease will provide income consideration.

FMA Contribution: \$ 7,000

Terms	Lessee	Property	Key Terms	Awarded	Term
	Ohio Avenue Commons, LLC (OAC)	.6049 acres in building 402	<ul style="list-style-type: none"> Rent: \$5,000/year Eligible Veterans receive priority placement for all services offered FMA \$2/sq.ft. based on rentable area Not less than 27 units of transitional housing 	2007 <i>(Operations began: 2008)</i>	65 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> Rent 	\$5,000	\$330,506	\$365,308
	Cost avoidance	<ul style="list-style-type: none"> Bed days of care Facility maintenance Homeless per diem 	\$176,295 \$33,699 \$75,336		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 6 Veterans placed 	\$40,176		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> Rent 	\$5,488	\$1,005,477	\$1,370,785
	Cost avoidance	<ul style="list-style-type: none"> Bed days of care Facility maintenance Homeless per diem 	\$173,558 \$66,182 \$85,194		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 27 units Other services to Veterans 	\$183,060 \$491,995		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

*Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number units versus the number of Veterans placed.

Other Services to Veterans include educational training, group discussions, case management, etc reported by the local medical center.

Direct Service to Veterans

Homeless & Transitional Housing

DAYTON, OHIO
Housing Initiative



MOTIVATION: Miami Valley Housing Opportunities (MVHO) has provided residential housing for homeless adults diagnosed with substance abuse and/or mental illness through 3-year outleases of building 412 since May 2000. However, the deteriorating physical condition of the structure jeopardized services. VA estimated that restoring the building for VA's own use would cost in excess of \$2.5 million. For VA to maintain the building in an unoccupied state was estimated to be \$46,900 per year; to demolish the building would cost approximately \$750,000. This EUL provided VA the opportunity to outlease for a long term and get all the improvements necessary while offering housing units to homeless Veterans.

Benefits to Veterans: Safe, affordable permanent housing.

Benefits to VA: The restoration of building 412, allowing the residential mental health care program to continue, at no capital cost to VA.

FMA Contribution: \$8,100

Terms	Lessee	Property	Key Terms	Awarded	Term
	Miami Valley Housing Opportunities (MVHO)	~24K sq ft in building 412	<ul style="list-style-type: none"> ▪ Rent: \$3,000/mo. ▪ Eligible Veterans receive priority placement for all services offered ▪ FMA \$2/sq.ft. not required to exceed \$22,000 	2004 <i>(Operations began: July 2006)</i>	50 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ Rent	\$40,078	\$2,114,447	\$5,849,145
	Cost avoidance	▪ Bed days of care	\$352,590		
		▪ Facility maintenance	\$57,265		
		▪ Homeless per diem	\$150,672		
	Cost savings	▪ N/A	\$0		
Enhanced services*	<ul style="list-style-type: none"> ▪ 12 Veterans placed ▪ Other services to Veterans 	\$80,352 \$1,433,490			
VA expense	▪ N/A	\$0			
2010	Revenue	▪ Rent	\$45,070	\$2,096,213	\$7,945,358
	Cost avoidance	▪ Bed days of care	\$404,968		
		▪ Facility maintenance	\$68,880		
		▪ Homeless per diem	\$198,786		
	Cost savings	▪ N/A	\$0		
Enhanced services*	<ul style="list-style-type: none"> ▪ 34 units ▪ Other services to Veterans 	\$230,520 \$1,147,989			
VA expense	▪ N/A	\$0			

* Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number of units versus the number of Veterans placed. Other services offered to Veterans are: educational training, group discussions and case management, meals, furniture, clothing, work program and secondary case management.

Direct Service to Veterans

Homeless & Transitional Housing

DAYTON, OHIO

Transitional Housing



MOTIVATION: Volunteers of America will develop, renovate, construct, operate, and maintain Building 400 on the VA Medical Center campus, providing not less than fifty (50) units of transitional housing beds and related supportive services for eligible Veterans and non-Veterans.

Benefits to Veterans: This project is designed to provide safe, supportive, drug and alcohol free housing and supportive services to eligible Veterans and non-Veterans of the community.

Benefits to VA: This lease will provide income consideration. In addition, this project results in significant cost avoidance to VA by reducing reliance on inpatient and domiciliary resources, and would permit more resources to be directed toward direct Veteran care.

FMA Contribution: \$ 15,000

	Lessee	Property	Key Terms	Awarded	Term
Terms	Volunteers of America	1.5+ acre parcel, Building 400	<ul style="list-style-type: none"> Rent: \$5,000/year, increased yearly per HUD benchmark rental rates Eligible Veterans receive priority placement for all services offered Not less than 50 units of transitional housing 	2008 <i>(Operation began FY 2010)</i>	30 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ Rent	\$5,000		
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ N/A	\$0	\$5,000	\$5,000
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ Rent	\$5,071		
	Cost avoidance	<ul style="list-style-type: none"> ▪ Bed days of care \$1,128,124 ▪ Facility maintenance \$114,083 ▪ Homeless per diem \$553,761 			
	Cost savings	▪ N/A	\$0	\$2,595,404	\$2,600,404
	Enhanced services	<ul style="list-style-type: none"> ▪ 50 units \$339,000 ▪ Other services to Veterans* \$455,365 			
	VA expense	▪ N/A	\$0		

Operation started in 2010. Other services offered to Veterans are: educational training, group discussions and case management, meals, furniture, clothing, work program and secondary case management

Direct Service to Veterans

Homeless & Transitional Housing

HINES, ILLINOIS

Single Room Occupancy (SRO) – Building #14



MOTIVATION: Similar to many communities, Hines, Illinois, has a recognized unmet need for transitional housing for Veterans and residents in the community. This EUL rehabilitated VA's vacant building #14 to be operated as a 42-unit residential transitional housing facility.

Benefits to Veterans: 40 SRO units and two residential units to be rented on a preference basis to homeless and formerly homeless Veterans.

Benefits to VA: This lease is expected to reduce VA operating costs by transferring maintenance of building #14.

FMA Contribution: \$32,400

Terms	Lessee	Property	Key Terms	Awarded	Term
	Shelters for the Homeless and Cooke's Manor, LLC	0.437 acres, Building 14	<ul style="list-style-type: none"> Veterans priority placement in 40 of the 42 units Lessee to pay \$44,789/yr, indexed to CPI, to reimburse VA for ancillary services FMA Contribution: \$12,600/yr, not required to exceed \$22,000 	2004 <i>(Operations began: 2006)</i>	32 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> Rent¹ 	\$12,389	\$2,127,049	\$7,994,896
	Cost avoidance	<ul style="list-style-type: none"> Bed days of care Maintenance costs Veterans per diem 	\$1,175,300 \$8,000 \$502,240		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 40 Veterans placed 	\$429,120		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> Rent 	\$44,789	\$2,452,918	\$10,447,814
	Cost avoidance	<ul style="list-style-type: none"> Bed days of care Maintenance costs Veterans per diem 	\$1,157,050 \$49,679 \$567,960		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 40 units Other services to Veterans 	\$443,440 \$200,000		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

1. Although lessee pays "rent" of \$44,789 annually, these funds are designated to reimburse VA for ancillary services provided, therefore do not represent new receipts.

*Other services include educational training, group discussions, case management, etc. Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number of units versus the number of Veterans placed.

Direct Service to Veterans

Homeless & Transitional Housing

LEAVENWORTH, KANSAS

Residential Health Care



MOTIVATION: Originally constructed in 1885, the Leavenworth campus experienced its peak level of activity in 1906, with 4,119 patients. In the decades since its post-Civil War prime, the rural location, decline in the number of Veteran patients, and aging infrastructure have led to the majority of the campus buildings falling vacant. In 1999, the Leavenworth campus and 38 of its vacant buildings were listed on the National Register of Historic Places. Since the execution of the lease in 2006, 16 of the 38 buildings have been rehabilitated for the homeless and permanent housing for Veterans. In FY 2010 the lessee is anticipated to rehabilitate at least two additional buildings to be used for offices or call centers.

Benefits to Veterans: Entering an EUL to reuse, redevelop, and/or renovate a portion of the 38 vacant buildings for affordable senior housing, long-term care, and transitional housing offers a unique opportunity for Veterans to live and receive care on the VA campus in a life-care community setting.

Benefits to VA: Transfer of the costs of maintenance, renovation, and compliance with National Historic Preservation guidelines to a private partner.

FMA Contribution: \$ 22,171

Terms	Lessee	Property	Key Terms	Awarded	Term
	Eisenhower Ridge Association (ERA)	50 acres, incl. 38 vacant or underutilized buildings, which incl. 5 parking garages	<ul style="list-style-type: none"> Lessee to redevelop, renovate, and reuse facility to operate affordable transitional and senior housing (16 buildings are currently operational) VA allowed continued use of certain buildings FMA to meet or exceed the requirement of the lender 	2005 <i>(Operations began: 2006)</i>	75 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	N/A	\$0	\$2,786,325	\$7,312,736
	Cost avoidance	<ul style="list-style-type: none"> Bed days of care Buildings and ground maintenance Homeless per diem 	\$1,469,125 \$276,000 \$627,800		
	Cost savings	N/A	\$0		
	Enhanced services*	50 Veterans placed	\$413,400		
	VA expense	N/A	\$0		
2010	Revenue	N/A	\$0	\$1,458,095	\$8,770,831
	Cost avoidance	<ul style="list-style-type: none"> Bed days of care Buildings and ground maintenance Homeless per diem 	\$520,673 \$289,800 \$255,582		
	Cost savings	N/A	\$0		
	Enhanced services*	45 units	\$392,040		
	VA expense	N/A			

*Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number of units versus the number of Veterans placed.

Direct Service to Veterans

Homeless & Transitional Housing

MINNEAPOLIS, MINNESOTA
Single Room Occupancy (SRO)



MOTIVATION: According to a 2001 statewide survey, there are approximately 3,413 homeless Veterans in the metro area of the Twin Cities, Minnesota. Of 686 homeless Veterans surveyed in 2001, 45% were clinically diagnosed with a serious mental health disorder and 52% consider themselves to be chemically dependent. Fifty-seven (57%) percent received either inpatient or outpatient alcohol or drug treatment in the previous two years. Through this EUL project, VA is able to provide no less than 140 units of affordable, safe, drug and alcohol free housing and related services to Veterans in the Twin Cities area.

Benefits to Veterans: This EUL will provide an access to safe, supportive and affordable housing, allowing Veterans an opportunity to focus on rehabilitation from chronic and debilitating conditions. Without such housing, Veterans who are successfully treated for their mental and physical health needs have difficulty maintaining health improvements.

Benefits to VA: This enhanced-use lease provides housing services for Veterans at no capital expense to VA.

FMA Contribution: \$22,000

Terms	Lessee	Property	Key Terms	Awarded	Term
	Hennepin County Housing and Redevelopment Authority	4.34 acres, 4 buildings (11, 12, 13, 14)	<ul style="list-style-type: none"> Priority placement for Veterans in 51% of 140 units Lump sum payment \$300,000 Funded Maintenance Account (\$2/ sq ft, not required to exceed \$22,000) 	2005 <i>(Operations began: August 2006)</i>	60 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$4,910,201	\$14,717,513
	Cost avoidance	<ul style="list-style-type: none"> Building maintenance Bed days of care Homeless per diem 	\$5,250 \$2,850,103 \$1,217,932		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 97 Veterans placed 	\$836,916		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$5,433,279	\$20,150,792
	Cost avoidance	<ul style="list-style-type: none"> Building maintenance Bed days of care Homeless per diem 	\$5,250 \$2,805,846 \$1,377,303		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 140 units 	\$1,244,800		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

* Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number of units versus the number of Veterans placed.

Direct Service to Veterans

Homeless & Transitional Housing

PORTLAND, OREGON-VANCOUVER
WASHINGTON CAMPUS

Single Room Occupancy (SRO)



MOTIVATION: A single-day survey of the VAMC indicated that 18% of patients, if discharged that day, would be discharged to homelessness – about 40 Veterans a year. Through this EUL project, VA was able to obtain 62 housing units (50% of the total 126 units) for low income Veterans in the Vancouver area.

Benefits to Veterans: This EUL housing project will provide 62 new beds designated as Veterans preference on a previously vacant and undeveloped land parcel.

Benefits to VA: This project may produce cost avoidance for VA by reducing lengths of stay times for Veterans who might otherwise continue to use in-patient services (valued at over \$500/day) because they have no place to go.

FMA Contribution: N/A

Terms	Lessee	Property	Key Terms	Awarded	Term
	Vancouver Housing Authority	~1 acre	<ul style="list-style-type: none"> Lessee to finance, design, construct, and manage 126 units of SRO facility and studio apartments, with community kitchen, counseling, recreation, and supportive services Lessee is responsible for coordination of client services across a consortium of health and social service organizations of which Portland VAMC is a part. 62 beds, i.e. fifty percent of the facility, are designated as Veteran preference 	1998 <i>(Operations began:1999)</i>	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$3,221,664	\$10,988,934
	Cost avoidance	<ul style="list-style-type: none"> Bed days of care Homeless per diem 	\$1,880,480 \$803,584		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 64 Veterans placed 	\$537,600		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$3,960,968	\$14,909,902
	Cost avoidance	<ul style="list-style-type: none"> Bed days of care Homeless per diem 	\$1,938,059 \$951,333		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 123 units 	\$1,071,576		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

* Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number of units versus the number of Veterans placed.

Direct Service to Veterans

Homeless & Transitional Housing

ROSEBURG, OREGON

Single Room Occupancy (SRO)



MOTIVATION: A single-day survey of the Roseburg health center indicated that 32% of patients, if discharged that day, would be discharged to homelessness – about 83 patients per year. Through this EUL project, VA was able to obtain 63 transitional housing units for homeless Veterans in the Oregon area.

Benefits to Veterans: This project, which constructs a SRO facility on the VAMC campus, will provide a critical service to Veterans at no cost.

Benefits to VA: The SRO facility yields savings to the VAMC by allowing earlier hospital discharge from VAMC inpatient services for Veterans who might otherwise have longer lengths of stay due to having no place to go.

FMA Contribution: N/A

Terms	Property	Key Terms	Awarded	Term
	Housing Authority Of Douglas County	~2 acres	<ul style="list-style-type: none"> Lessee to finance, design, construct and manage 63-bed facility that provides transitional and permanent housing in a quality, affordable, and service-enriched supportive environment. 50% of beds designated as Veterans preference 	2000

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> N/A 	0	\$1,951,245	\$6,238,202
	Cost avoidance	<ul style="list-style-type: none"> Bed days of care Grounds maintenance Homeless per diem 	\$1,175,300 \$33,225 \$502,240		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 40 Veterans placed 	\$240,480		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$1,754,671	\$7,992,873
	Cost avoidance	<ul style="list-style-type: none"> Bed days of care Grounds maintenance Homeless per diem 	\$896,714 \$9,000 \$440,169		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 64 units Other services to Veterans 	\$396,288 \$12,500		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

*Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number units versus the number of Veterans placed.

Direct Service to Veterans

Homeless & Transitional Housing

SEPULVEDA, CALIFORNIA

Homeless Residential Program



MOTIVATION: With an estimated 50,000 homeless Veterans per year in the County, VA is able to reach less than 10% of those in need. Building 4 was in severe disrepair and needed immediate attention. Through this EUL project, VA was able to obtain 73 transitional housing units for the Veterans in the California area.

Benefits to Veterans: This project is designed to provide safe, supportive, and affordable housing to mentally ill, disabled, and single adult homeless Veterans. The proximity to the Medical Center campus ensures easy access to treatment and services to

support recovery and improved life opportunities for the Veterans served. In addition, Veterans will receive professional counseling, case management and crisis management services.

Benefits to VA: This project expands services to Veterans without capital or operating cost to VA. In addition, VA receives professional/technical training services for VA employees, and temporary use of the property by VA employees for VA activities.

FMA Contribution: N/A (Effective when operational)

	Lessee	Property	Key Terms	Awarded	Term
Terms	New Directions Sepulveda I L.P.	Building 4 3.83 acres	<ul style="list-style-type: none"> ▪ To renovate, design, construct, operate, maintain and provide transitional residence services for 73 homeless adults and Veterans in building 4. ▪ Priority placement for VA-referred Veterans ▪ Funded Maintenance Account at no less than \$300 per unit ▪ 10% cash from film making activities. 	2008	75 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009		<i>Lease awarded, 2008</i>			
2010		<i>Construction pending/developer seeking financing</i>			

Direct Service to Veterans

Homeless & Transitional Housing

SEPULVEDA, CALIFORNIA
Homeless Residential Program



MOTIVATION: With an estimated 50,000 homeless Veterans per year in the County, VA is able to reach less than 10% of those in need. Building 5 was in severe disrepair and needed immediate attention. Through this EUL project, VA was able to obtain 76 transitional housing units for homeless Veterans in the California area.

Benefits to Veterans: This project is designed to provide safe, supportive, and affordable housing to mentally ill, disabled, and single adult homeless

Veterans. The proximity to the Medical Center campus ensures easy access to the treatment and services to support recovery and improved life opportunities for the Veterans served. In addition, Veterans will receive professional counseling, case management and crisis management services.

Benefits to VA: This project expands services to Veterans without capital or operating cost to VA. In addition, VA receives professional/technical training services for VA employees, and temporary use of the property by VA employees for VA activities.

FMA Contribution: N/A (Effective when operational)

Terms	Lessee	Property	Key Terms	Awarded	Term
	New Directions Sepulveda II L.P.	3.22 acres underutilized land and building 5	<ul style="list-style-type: none"> ▪ To renovate, design, construct, operate, maintain and provide transitional residence services for 76 homeless adults and Veterans in building 5. ▪ Priority placement for VA-referred Veterans ▪ Funded Maintenance Account at no less than \$300 per unit. ▪ 10% cash from film making activities 	2008	75 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	<i>Lease awarded, 2008</i>				
2010	<i>Construction pending/developer seeking financing</i>				

Direct Service to Veterans

Homeless & Transitional Housing

ST. CLOUD, MINNESOTA

Homeless Housing



MOTIVATION: In the City of St. Cloud, approximately 38% of all homeless individuals are Veterans. Entering into an EUL to construct an affordable housing complex fills an important need for Veterans and lowers VA costs by reducing the number of bed days of care at VA's domiciliary.

Benefits to Veterans: Access to safe, supportive and affordable housing for homeless individuals, with priority placement for Veterans.

Benefits to VA: Reduced costs by reducing the bed days of care at VA's domiciliary.

FMA Contribution: \$96,144

Terms	Lessee	Property	Key Terms	Awarded	Term
	St. Cloud Housing & Redevelopment Authority	5.62 acres	<ul style="list-style-type: none"> Lessee to develop, finance, construct, operate and maintain affordable housing complex, incl. at least 61 apartments and associated parking Veterans to receive 51% priority placement Funded Maintenance Account (\$2.00 per sq ft per annum not required to exceed \$22,000) 	2005 <i>(Operations began: 2006)</i>	50 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative sine 2006
2009	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$1,310,439	\$4,521,554
	Cost avoidance	<ul style="list-style-type: none"> Grounds maintenance Bed days of care Homeless per diem 	\$1,519 \$793,328 \$339,012		
	Cost savings	<ul style="list-style-type: none"> NA 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 27 Veterans placed 	\$176,580		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$1,570,738	\$5,954,355
	Cost avoidance	<ul style="list-style-type: none"> Grounds maintenance Bed days of care Homeless per diem 	\$1,560 \$781,009 \$383,373		
	Cost savings	<ul style="list-style-type: none"> N/A 			
	Enhanced services*	<ul style="list-style-type: none"> 61 units 	\$404,796		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

*Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number of units versus the number of Veterans placed.

Direct Service to Veterans

Senior Services

BATAVIA, NEW YORK

Congregate Living



MOTIVATION: Batavia, New York has a recognized unmet need in senior housing for Veterans and residents in the community. This EUL has provided a senior living complex and 32 units of affordable housing for the Veterans in the New York area.

Benefits to Veterans: While the congregate living facility is not specifically targeted to Veterans, Veterans receive priority placement into all services. In addition, collocating Havenwood

senior housing on the VAMC campus creates a smooth transition for Veterans as they experience need for changing levels of care.

Benefits to VA: Significant cost avoidance in bed days of care.

FMA Contribution: \$146,102

Terms	Lessee	Property	Key Terms	Awarded	Term
	Havenwood Associate Limited Partnership	3 acres	<ul style="list-style-type: none"> Lessee to develop, construct, finance, design, operate, repair, and maintain a congregate housing facility consisting of 32 affordable independent dwelling units Eligible Veterans receive priority placement for all of the services offered Funded Maintenance Account Rent: \$16,000/yr, indexed to CPI 	2004 <i>(Operations began: July 2005)</i>	65 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> Rent 	\$18,445	\$430,172	\$3,903,758
	Cost avoidance	<ul style="list-style-type: none"> Ground maintenance Bed days of care Homeless per diem 	\$13,627 \$235,060 \$100,448		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 8 Veterans placed 	\$62,592		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> Rent 	\$18,205	\$554,263	\$4,458,021
	Cost avoidance	<ul style="list-style-type: none"> Ground maintenance Bed days of care Homeless per diem 	\$14,650 \$173,558 \$85,194		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 32 units 	\$262,656		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

* Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number of units versus the number of Veterans placed.

Direct Service to Veterans

Senior Services

DANVILLE, ILLINOIS

Independent Living



MOTIVATION: Danville, Illinois has a recognized unmet need for affordable senior housing for Veterans and residents in the community. This EUL rehabilitated an unused building on the Danville VA campus to provide 44 low-income senior apartments for Veterans in the Illinois area. The rehabilitation saved the VA \$6 million in renovation costs.

Benefits to Veterans: Priority placement to safe and affordable housing near their place of care.

Benefits to VA: Saving VA both demolition costs and the ongoing costs to maintain, repair and provide utilities to these buildings. As an added benefit, collocating the senior population with the VAMC is

expected to produce synergies, such as the potential for residents to volunteer at the medical center or for the medical center to contract medical care to the senior residents.

FMA Contribution: \$0.00 (*Financial statement shows negative cash flow*)

Terms	Lessee	Property	Key Terms	Awarded	Term
	Danville VA Limited Partnership (DVALP)	3.073 acres, 2 buildings (& option on 3rd building)	<ul style="list-style-type: none"> ▪ Lessees to operate, maintain, and manage 44 low-cost senior citizen apartments. ▪ Rent: 6% of gross rent collections for calendar years 1-35; 7% of gross rent collections for calendar years 36-7 ▪ Funded Maintenance Account \$250/yr 	1999	75 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> ▪ Rent 	\$13,492	\$1,714,181	\$6,007,621
	Cost avoidance	<ul style="list-style-type: none"> ▪ Maintenance & repairs ▪ Utilities ▪ Bed days of care ▪ Homeless per diem 	\$28,875 \$ 6,986 \$1,028,388 \$439,460		
	Cost savings	<ul style="list-style-type: none"> ▪ N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> ▪ 35 Veterans placed 	\$196,980		
	VA expense	<ul style="list-style-type: none"> ▪ N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> ▪ Rent 	\$13,015	\$1,608,949	\$7,609,283
	Cost avoidance	<ul style="list-style-type: none"> ▪ Maintenance & repairs ▪ Utilities ▪ Bed days of care ▪ Homeless per diem 	\$56,656 \$40,000 \$867,788 \$425,970		
	Cost savings	<ul style="list-style-type: none"> ▪ N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> ▪ 44 units 	\$245,520		
	VA expense	<ul style="list-style-type: none"> ▪ N/A 	\$0		

* Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number units versus the number of Veterans placed.

Direct Service to Veterans

Senior Services

HINES, ILLINOIS

Assisted Living – Building #53



MOTIVATION: The purpose of this project is to rehabilitate and operate building 53 as housing for low-income seniors. Through this EUL project, VA was able to obtain assisted living arrangements for Veterans in the Illinois area.

Benefits to Veterans: Due to Department of Housing and Urban Development (HUD) requirements involved in the construction of the building, the rental rates charged to tenants of this complex are consistent with other housing developments; one of the benefits over other developments, however, is that building 53 is newly remodeled and located on same campus as the Hines VA Hospital (VAH).

Benefits to VA: Collocating senior housing with the Hines VAH is expected to produce savings through shared-service

agreements, in which the lessee contributes towards VA operating costs, and through transferring cost of maintenance for building 53 to the lessee.

FMA Contribution: \$186,760

Terms	Lessee	Property	Key Terms	Awarded	Term
	Goedert Senior Housing Corporation	Building #53	<ul style="list-style-type: none"> Rent: \$4,833.33 per month, increased every 5 years by \$5,000 Funded Maintenance Account Lessee to pay VA's direct ancillary costs 	2004 (Operations began: April 2006)	75 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> Rent 	\$58,000	\$3,025,324	\$12,194,858
	Cost avoidance	<ul style="list-style-type: none"> Maintenance costs Bed days of care Homeless per diem 	\$18,000 \$1,645,420 \$703,136		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 56 Veterans placed 	\$600,768		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> Rent 	\$58,000	\$2,358,738	\$14,553,596
	Cost avoidance	<ul style="list-style-type: none"> Maintenance costs Bed days of care Homeless per diem 	\$117,624 \$867,788 \$425,970		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 71 units Other services to Veterans 	\$769,356 \$120,000		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

* Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number of units versus the number of Veterans placed.

Direct Service to Veterans

Special Services

Butler, Pennsylvania

Mental Health



MOTIVATION: VA faces the continual challenge of identifying secure, clinically-based residential care for individuals requiring extended, intensive mental health treatment and monitoring. This EUL project improves mental health services and recovery opportunities for Veterans.

Benefits to Veterans: Partnering with Butler County Human Services and offering VA-referred Veterans mental health beds on a priority basis has expanded mental health services to Veterans. This partnership has allowed

Veterans to stay in close proximity to VA physicians and health care providers.

Benefits to VA: Butler County's provision of inpatient mental health care yields substantial savings to the VAMC due to reduced admissions to distant tertiary care centers and avoided costly expenditures for unmet tertiary care beds.

FMA Contribution: \$22,399

Terms	Lessee	Property	Key Terms	Awarded	Term
	County of Butler	1.3 acres underutilized land	<ul style="list-style-type: none"> Developer to finance, design, develop, construct, operate, and maintain safe, decent, and affordable mental health interim care to Butler County residents and Veterans. 2 of 16 beds reserved on a priority basis for VA-referred Veterans Funded Maintenance Account (\$2/sq ft/ to an amount in excess of \$22,000) 	2003 <i>(Operations began: 2006)</i>	50 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$100,775	\$1,825,842
	Cost avoidance	<ul style="list-style-type: none"> Bed days of care Ground maintenance Homeless per diem 	\$58,765 \$2,642 \$25,112		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 2 Veterans placed 	\$14,256		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$206,145	\$2,031,987
	Cost avoidance	<ul style="list-style-type: none"> Bed days of care Ground maintenance Homeless per diem 	\$57,853 \$2,774 \$28,398		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services*	<ul style="list-style-type: none"> 16 units 	\$117,120		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

*Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number of units versus the number of Veterans placed.

Direct Service to Veterans

Special Services

PORTLAND, OREGON

Crisis Triage



MOTIVATION: One priority identified by a community redesign process examining Clark County's crisis care system was the development of a "Crisis Triage Center," which would integrate mental health crisis and detoxification services and operate as an alternative to the emergency room. Clark County proposed to build its center on the Portland VAMC campus, thereby filling a significant gap in mental health and substance abuse services for Veterans and non-Veterans. Through this EUL project, VA was able to obtain crisis management and health care

services for the Veterans in the Vancouver area.

Benefits to Veterans: Collocating the Center on the Portland VAMC campus would facilitate Veteran patient referrals for services.

Benefits to VA: Reduced VA maintenance, repair and utility costs associated with the 15 buildings, connecting corridors and land, allowing the VAMC to shift savings toward patient care.

FMA Contribution: N/A

Terms	Lessee	Property	Key Terms	Awarded	Term
	Clark County	6.1 acres, Incl. 15 buildings	<ul style="list-style-type: none"> Developer to finance, design, develop, construct, operate, and maintain a new 4-story building on property consisting of approximately 175,000 sq ft and approximately 350 associated parking spaces 100% priority placement for Veterans for all services and programs 23,696 rentable sq. ft. available to VA 	2004 (Operations began: January 2006)	75 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0	\$6,246,654	\$10,680,354
	Cost avoidance	▪ Maintenance	\$210,120		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ 18,747 Veterans seen	\$6,036,534		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ N/A	\$0	\$5,675,091	\$16,355,445
	Cost avoidance	▪ Maintenance	\$224,910		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ 17,193 patients seen	\$5,450,181		
	VA expense	▪ N/A	\$0		

Direct Service to Veterans

Special Services

TUSCALOOSA, ALABAMA

Hospice



MOTIVATION: Prior to this lease, hospice services had not been available in western Alabama. This EUL provides safe, supportive and affordable hospice inpatient services to Veterans and non-Veterans on formerly unused land.

Benefits to Veterans: Beds reserved for Veterans will target the most under-served Veterans who live alone, and whose care is complex. The residents will also include Veterans whose caregivers are too frail or elderly to care for the patient at home.

Benefits to VA: This project is expected to reduce operating costs at the VAMC by reducing the length of hospital stays for Veterans requiring hospice inpatient beds and by providing upkeep of the

leased land.

FMA Contribution: \$22,399

Terms	Lessee	Property	Key Terms	Awarded	Term
	Hospice of West Alabama	3.17 Acres	<ul style="list-style-type: none"> Developer to design, develop, construct, operate, and maintain the property as a hospice facility VA-referred Veterans given priority for 5 of the total number of beds Funded Maintenance Account (\$2.00 sq ft per year, not required to exceed \$22,000) 	2004 <i>(Operations began November 2004)</i>	75 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0	\$406,164	\$2,000,622
	Cost avoidance	▪ Ground maintenance ▪ Bed days of care (8 Veterans seen)	\$19,200 \$235,060		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ N/A	\$0	\$411,016	\$2,411,638
	Cost avoidance	▪ Ground maintenance ▪ Bed days of care (7 Veterans served)	\$109,139 \$202,484		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

Improved VA Operations

Regional Offices & Parking

ALBANY, NEW YORK

Building and Parking



MOTIVATION: VA recognized the need for additional space at the Stratton VAMC. Veterans Integrated Service Network (VISN) 2 operations are currently located in outdated and dysfunctional space. The new VA office building will provide a state-of-the-art setting for VISN 2 operations and would allow all employees to be located in the same building. Through this EUL much-needed space in the medical center will be freed up for several clinical renovation projects and program space allocations that are planned for the next several years.

Benefits to Veterans: Better access and improved services as a result of consolidation of VISN 2 network functions.

Benefits to VA: The construction of a new building will improve management effectiveness and employee satisfaction by creating a functional office environment for staff.

FMA Contribution: \$ N/A (Effective when operational)

Terms	Lessee	Property	Key Terms	Awarded	Term
	Albany Medical Center	2.4 Acres	<ul style="list-style-type: none"> ▪ Lessee to develop and construct a new office building for VA on approximately 2.4 acres of underutilized land at no cost to VA. ▪ Lessee to develop, construct, and complete the Parking Facility within ten (10) years, and develop, construct, and complete the Commercial Facility within two (2) years. Three free daily parking spots for VAMC use over term of the EUL. ▪ Funded Maintenance Account \$35,000 per year for parcel A and \$5,000 per year for parcel B 	2009	75 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2010		<i>Completion Expected FY 2011</i>			

Improved VA Operations

Regional Offices & Parking

ATLANTA, GEORGIA

Regional Office Collocation



MOTIVATION: Space and parking deficiencies led VA to seek a new regional office and parking spaces in Atlanta. VA analyzed options and estimated costs associated with traditional VA major construction, commercial leasing, and enhanced-use leasing and found that the VA Regional Office (VARO) could be collocated with the Atlanta VAMC at a lower cost and in a shorter time period through an EUL. Through this EUL VA was able to obtain a state of the art facility to serve our Veterans in close proximity to the Medical Center campus.

Benefits to Veterans: Better access to services and improved

claims processing time as a result of improved layout and accessibility.

Benefits to VA: The participation of non-VA uses in the development will result in a broader allocation of development costs among its users/tenants, thus resulting in lower costs to VA.

FMA Contribution: \$67,704

Terms	Lessee	Property	Key Terms	Awarded	Term
	Development Authority of Dekalb County, GA	6 acres, 179,328 sq ft	<ul style="list-style-type: none"> ▪ Developer to finance, design, construct, operate & maintain 188K sq ft VARO space and necessary parking ▪ VA to pay below market for rent ▪ Parking, data and equipment are included in the lease costs 	1997 <i>(Operations began: November 1998)</i>	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0	\$33,949	\$2,549,547
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ Rent savings ¹	\$33,949		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ N/A	\$0	\$78,925	\$2,628,472
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ Rent savings	\$78,925		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

*Note: FMA required per Facility Use Agreement.

Improved VA Operations

Regional Offices & Parking

CHICAGO, IL (JESSE BROWN, PART A)

Regional Office Collocation



MOTIVATION: The purpose of this project is to collocate delivery of VA benefit and health care services at Jesse Brown Medical Center (formerly “Chicago Westside”). The collocation will allow VA to reduce costs, enhance property and improve access for Illinois Veterans and their families. Through this EUL VA was able to obtain a state of the art facility to serve our Veterans in close proximity to the Medical Center campus.

Benefits to Veterans: Better access to services and reduced claim processing times as a result of improved layout and accessibility.

Benefits to VA: Obtaining space through EUL allowed cost-effective project financing with no capital cost to VA. (**Note:** The Chicago Regional Office is identified as “Jesse Brown, Part A” and the parking garage as “Jesse Brown, Part B” in this report; both projects were executed as part of the same EUL.)

FMA Contribution: \$362,176¹

Terms	Lessee	Property	Key Terms	Awarded	Term
	Cole Taylor Bank	4 acres, 93,700 sq ft	<ul style="list-style-type: none"> VA to pay \$32.78 per sq ft for turnkey delivery¹ Lessee to provide in-kind services and other benefits as long as VA requires office space. 	2002	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0	\$(\$191,047)	\$993,678
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ Rent savings	(\$191,047)*		
	Enhanced services	▪ Collocated services	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ N/A	\$0	\$(\$108,214)	\$885,464
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ Rent savings	(\$108,214)*		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

1. The amount provided is the maintenance reserve required by the Facility Use Agreement. Amount listed is shared with Chicago (Jesse Brown) Parking.

*Cost Savings was calculated based on projections made in FY 2002. Due to the unstable market conditions the benchmark rent value for the real estate in the area dropped causing negative returns to VA.

Improved VA Operations

Regional Offices & Parking

CHICAGO, IL (JESSE BROWN, PART B)

Parking



MOTIVATION: VA recognized a long-standing parking deficiency, estimated at 781 spaces, at Jesse Brown VAMC. At the same time, the Illinois Medical District was phasing out all street parking, contributing to the parking deficiency. This EUL provided much-needed parking at no cost to Veterans in close proximity to the Regional office and Medical Center.

Benefits to Veterans: Additional parking assists to maintain access to Jesse Brown (formerly “Chicago Westside”) VAMC, which serves a majority of the poorest Veteran patients in greater Chicago. Demand for services at Jesses Brown VAMC has dramatically increased, as four nearby community hospitals have

closed in the five years preceding this project.

Benefits to VA: Through this enhanced-use lease, VA acquired 1,156 parking spaces, fundamentally remedying its parking situation. (**Note:** The Chicago Regional Office is identified as “Jesse Brown, Part A” and the parking garage as “Jesse Brown, Part B” in this report; both projects were executed as part of the same EUL.)

FMA Contribution: \$362,176*

Terms	Lessee	Property	Key Terms	Awarded	Term
	Cole Taylor Bank	4 acres	<ul style="list-style-type: none"> ▪ Lessee provides no less than 1,156 spaces ▪ Lessee finances, designs, builds, operates, and maintains a parking structure ▪ Lessee assumes operation and maintenance of remaining surface parking 	2002	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0	\$20,400	\$114,798
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ Parking savings	\$20,400		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ N/A	\$0	\$635,940	\$750,738
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ Parking savings	\$635,940 ¹		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

*Note: The amount provided is the maintenance reserve required by the Facility Use Agreement. Amount listed is shared with Chicago (Jesse Brown) Regional Office.

1. Dramatic increase in parking savings between 2009 and 2010 reflects significant increase in number of employees at the Jesse Brown VAMC.

Improved VA Operations

Regional Offices & Parking

COLUMBIA, SOUTH CAROLINA

Collocation/Mixed-Use Project



MOTIVATION: This enhanced-use lease (EUL) provides both office building space and private mixed-use development on the EUL site. The Veterans Benefits Administration (VBA), through a separate solicitation process, has acquired 97,000 square feet of office space on the EUL site. This EUL will lower the costs of development and save money when compared to traditional construction by allowing VA to spread the payments over time.

Benefits to Veterans: Better access to services and reduced claim processing times as a result of improved layout and accessibility.

Benefits to VA: Through this project, VA is expected to receive rent and 10,000 square feet of additional office

building.

FMA Contribution: \$0.00

Terms	Lessee	Property	Key Terms	Awarded	Term
	Keenan Development Associates of South Carolina	25 acres of land and Building 10	<ul style="list-style-type: none"> Lessee to design, construct, operate and maintain a three story 107,000 sq ft building to house a VA regional office, VA medical center space and other tenants for a future research and investigational facility \$100,000 payment to VA at lease signing Rent: \$10,000/yr to VA after the 22nd year Additional payment: VA to receive 15% of rent recovered from tenants Funded Maintenance Account (\$0.25 sq ft per year) operational June 2009, FMA verification in FY 2010 	2008 <i>(Operations began: FY 2009)</i>	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> Total payments to VA 	\$0	\$75,267	\$175,267
	Cost avoidance	<ul style="list-style-type: none"> N/A 	\$0		
	Cost savings	<ul style="list-style-type: none"> Office space at no cost to VA 	\$75,267		
	Enhanced services	<ul style="list-style-type: none"> N/A 	\$0		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$185,000	\$360,267
	Cost avoidance	<ul style="list-style-type: none"> N/A 	\$0		
	Cost savings	<ul style="list-style-type: none"> Office space at no cost to VA 	\$185,000		
	Enhanced services	<ul style="list-style-type: none"> N/A 	\$0		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

Improved VA Operations

Regional Offices & Parking

HOUSTON, TEXAS

Collocation/Mixed-Use Project



MOTIVATION: VA sought to collocate its Houston Regional Office (VARO) with the medical center in order to improve operations and increase convenience for Veterans. This EUL provides for both a regional office and private mixed-use development, lowering the cost of development, and saving money over traditional construction by spreading the rental payments between VA and non-VA tenants. Through the Lease-Purchase agreement, the VARO reverted back to VA.

Benefits to Veterans: Better access to services and reduced claim processing times as a result of improved layout and accessibility.

Benefits to VA: Through this project, VA is expected to obtain its office facilities at a net present value of \$9.63 million – a 44% savings over the estimated traditional construction cost.

FMA Contribution: \$97,257

Terms	Property	Key Terms	Awarded	Term
	Amelang Partners Inc. (API)	20 acres (original lease); 15.82 acres after transfer of VARO back to VA	<ul style="list-style-type: none"> ▪ Lessee to design, construct, operate and maintain 188,000 sq ft including retail, medical tenants, as well as biomedical, research and development facilities. ▪ VARO reverted back to VA one year after construction through Lease-Purchase Agreement ▪ \$75,000 payment to VA on lease signing ▪ Rent: \$68,096/yr to VA, adjusting every 3 years ▪ Additional payment: VA to receive 50% of rent recovered by API from tenants ▪ FMA: VA contributes \$21,700 per quarter, adjusting CPI 	1993

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ Total payments to VA	\$154,638	\$154,638	\$463,914
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ Total payments to VA	\$182,023	\$182,023	\$645,937
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

Improved VA Operations

Regional Offices & Parking

MILWAUKEE, WISCONSIN

Regional Office and Parking



MOTIVATION: The Milwaukee Regional Office was located in a 122-year old building, which was severely antiquated and no longer meet the current technological and infrastructure needs of the regional office. Furthermore, the site was located 3/4 of a mile from the hospital, and Veterans had to use a shuttle to and from the hospital and the Veterans' benefits service office. This EUL provides new state of the art office space and parking for the Milwaukee VARO, replacing the 122-year old building.

Benefits to Veterans: Providing a new, state-of-the-art regional office benefits processing center will enhance service to Veterans

through the convenience of continued collocation with the VAMC.

Benefits to VA: Although VA originally considered new construction, it proceeded with the EUL because major construction funds were not available. Direct and indirect economic benefits are expected from increased productivity and increased interactions between VA organizations on campus.

FMA Contribution: \$181,868*

Terms	Lessee	Property	Key Terms	Awarded	Term
	Keenan Development Associates	96,304 sq ft	<ul style="list-style-type: none"> Lessee to finance, design, construct, Manage, and operate state of the art office space and parking for the Milwaukee VARO. VA to receive discount from market rate on full service rent, after trust fees 	2003 (VA moved in: 2004)	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0	\$(132,449)	\$1,485,289
	Cost avoidance	▪ Obviate need for shuttle service	\$15,263		
	Cost savings	▪ Rent savings	\$(147,712)*		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ N/A	\$0	\$(684,991)	\$800,278
	Cost avoidance	▪ Obviate need for shuttle service	\$15,263		
	Cost savings	▪ Rent savings	\$(700,254)		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

*Note: The amount provided is the maintenance reserve required by the Facility Use Agreement

*Cost Savings was calculated based on projections made in FY 2002. Due to the unstable market conditions the benchmark rent value for the real estate in the area dropped causing negative returns to VA.

Improved VA Operations

Regional Offices & Parking

SALT LAKE CITY, UTAH
Regional Office Collocation



MOTIVATION: VA sought to obtain office space for its regional office activities in Salt Lake City. VA compared the life-cycle costs of an EUL to new construction or conventional leasing and found that the inclusion of non-VA uses included in enhanced-use leasing produced the most savings to the Department by broadly allocating development costs among the developer's tenants.

Benefits to Veterans: Better access to services and improved claims processing time as a result of improved layout and accessibility.

Benefits to VA: Enhanced-use leasing eliminated the need for upfront capital investment by VA, and effected development in a shorter time period compared to VA construction or commercial leasing.

FMA Contribution: \$78,742

Terms	Lessee	Property	Key Terms	Awarded	Term
	Boyer Company	4.76 acres	<p><u>Developer to provide VA rentable space:</u></p> <ul style="list-style-type: none"> ▪ 50,940 sq ft for VBA ▪ 11,289 sq ft for VHA employee education system ▪ 39,335 sq ft for CIO <p><u>Developer permitted to build:</u></p> <ul style="list-style-type: none"> ▪ Commercial office complex, incl. compatible private uses ▪ Developer to pay annual rent to VA according to lease schedule ▪ Phase 2 (negotiated 2006) 	2001 <i>(Operations began: 2006)</i>	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ Lease payment	\$142,500	\$987,047	\$2,127,022
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ Net rent savings	\$844,547		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ Lease payment	\$143,688	\$973,988	\$3,101,010
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ Net rent savings	\$830,300		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

Improved VA Operations

Consolidation

DURHAM, NORTH CAROLINA

Parking



MOTIVATION: VA needed to consolidate its research facilities and remediate deficiencies in outpatient care and available parking to meet its health care delivery and research goals.

Benefits to Veterans: Increased access and services to our Veterans.

Benefits to VA: VA intended to secure necessary space and services to address the VAMC's primary care, research and parking space deficiencies.

Note: Due to the weak financial market conditions, planned development has not proceeded and all of the development options have expired. The lessee has the Right of First Offer for the next 10-13 years. The Lessee has lost development rights on all tracts. Currently, parking is the only site-specific EUL that is operational and the term is for 35 years.

FMA Contribution: N/A

	Lessee	Property	Key Terms	Awarded	Term
Terms	LCOR Durham Land LLC	5.5 acres, incl. existing 1,000-space parking garage	<ul style="list-style-type: none"> Option for development has expired on January 2009. Only site-specific lease is for the parking. 	2002 <i>(option expired Jan 2009)</i>	35 Years ¹

Outcomes

	Consideration	Description	\$ Value	Total
2009		<i>Option expired/EUL for parking only</i>		
2010		<i>Construction/renovation has not begun</i>		

1. Lessee is providing parking management under a parking-specific EUL.

Improved VA Operations

Consolidation

INDIANAPOLIS, INDIANA

Consolidation Project



MOTIVATION: VA identified the need to consolidate its Indianapolis medical center operations to lessen the redundancy between the Cold Spring Road Division and the Indianapolis VAMC. VA estimated that consolidating services could reduce 123 federal positions, yielding \$5 million annually to be redirected towards Veterans' care. The Department faced either spending over \$11.7 million over the next 3 years to maintain the campus or entering a lengthy and costly disposal process. This EUL provided a better alternative for reuse of the campus at no

cost to VA.

Benefits to VA: VA entered an EUL with the State of Indiana to turn 22.3 of 30 acres of the Cold Spring Road Division campus into a replacement acute psychiatric facility, allowing VA to consolidate its Indianapolis medical center operations.

FMA Contribution: N/A

Terms	Lessee	Property	Key Terms	Awarded	Term
	State of Indiana	22.3 acres	<ul style="list-style-type: none"> ▪ State to use 22.3 of 30 acres of the Cold Spring Road campus as a replacement acute psychiatric facility ▪ VA to continue its use of warehouse space & parking ▪ State to provide grass cutting, landscaping and snow removal to 7.7 acres used exclusively by VA ▪ \$200K up-front rental payment to VA ▪ VA will have use of 20 parking spaces, 17,000 sq ft building, & 1.86 acre parcel at existing State psychiatric hospital ▪ State to establish a \$9.8 million trust to fund acquisition of construction, facilities & other services for Indiana Veterans 	1996	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0		
	Cost avoidance	<ul style="list-style-type: none"> ▪ Ground maintenance ▪ Use of space 	\$42,887 \$396,974		
	Cost savings	▪ Maintenance	\$33,600	\$473,461	\$3,512,478
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ N/A	\$0		
	Cost avoidance	<ul style="list-style-type: none"> ▪ Ground maintenance ▪ Use of space 	\$44,174 \$391,400	\$435,574	\$3,948,052
	Cost savings	▪ Maintenance	\$0		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

Improved VA Operations

Consolidation

SALT LAKE CITY II, UTAH

Mixed Use



MOTIVATION: This EUL engages Boyer Red Butte Creek, the development partner used to construct the Salt Lake City VA Regional Office, to build approximately 115,000 square feet of commercial office building and 8,000 square feet of restaurant/retail space. As a result, this lease will generate new revenues from underutilized assets, reducing operations and maintenance costs for the old buildings.

Benefits to Veterans: Space that will likely be used (at

least in part) for medical research that can ultimately benefit Veterans and potentially provide research and training opportunities for VA staff. **Benefits to VA:** The developer will front the costs of demolition, remodeling, providing temporary office space, and landscape improvements necessary to consolidate staff into a newly remodeled building 4; Ground rent revenue for the Medical Center will start in year 7, and increase 10% every 5 years through year 45. Consolidating VA staff offices from 6 buildings to one.

FMA Contribution: N/A

	Lessee	Property	Key Terms	Awarded	Term
Terms	Boyer Red Butte Creek 2, LLC	6.66 acres, 6 buildings (buildings 10, 11, 11A, 12, 15, & 22)	<p><u>Developer to construct at least:</u></p> <ul style="list-style-type: none"> ▪ Second building for VA use ▪ 115,000 sq ft commercial office/ research space with 292 parking spots; ▪ 8,000 sq ft restaurant/ retail space with 48 parking spots ▪ VA to receive annual payments in years 7-10, increasing by 10% starting in year 11 & 10% every 5-year interval thereafter ▪ FMA: \$0.19/sq ft, not to exceed \$200k 	2006 (Operations began: April 2009)	Up to 65 years ¹

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0		
	Cost avoidance	▪ Use of space ²	\$33,178		
	Cost savings	▪ Maintenance ²	\$102,500	\$135,678	\$135,678
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ N/A	\$0		
	Cost avoidance	▪ Use of space	\$81,605		
	Cost savings	▪ Maintenance	\$102,500	\$184,105	\$319,783
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

1. Initial lease term of 45 years and 4 months; lessee option to exercise up to two 10-year lease extensions

2. Operations began in April 2009; figures are prorated to reflect five months of operations.

Improved VA Operations

Energy

CHICAGO, ILLINOIS (JESSE BROWN)

Energy



MOTIVATION: The purpose of this EUL project is to reduce Chicago (Westside)'s energy costs. Using a trust to facilitate the contracting process, VA secured a private sector partner (The Energy Systems Group, LLC) to develop, operate, and maintain a state-of-the-art energy center that produces and sells energy to the VAMC with an opportunity to sell energy products to non-VA users.¹

Benefits to VA: In return, VA receives energy cost savings estimated to be \$1,247,000 over the life of the lease.²

FMA Contribution: \$5,088³

	Property	Key Terms	Awarded	Term
Terms	Cole Taylor Bank (As Trustee)	4.12 Acres	2002 <i>(Operations began: 2004)</i>	35 years
		<ul style="list-style-type: none"> ▪ Trust formed to engage a developer and independent contractor to monitor the developer, secure financing, and transfer obligations to energy developer ▪ Developer to construct energy center to supply VA & non-VA users ▪ VA to receive 50% of the balance of excess electricity sales to grid; 100% of steam, chilled water sold to 3rd parties, after management expenses paid 		

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0		
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ Annual energy cost savings	\$715,525	\$715,525	\$1,354,261
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ N/A	\$0		
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ Annual energy cost savings	\$467,575	\$467,575	\$1,821,836
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

Note 1: VA has not yet realized revenue on energy sales to third parties or the grid.

Note 2: The amount provided is the maintenance reserve required by the Energy Service Agreement.

Note 3: The cost savings based on proforma

Improved VA Operations

Energy

MOUNTAIN HOME, TENNESSEE

Energy



MOTIVATION: The purpose of this EUL project is to reduce Mountain Home VAMC's energy costs by contracting with a private developer to design, construct, own, operate and maintain a cogeneration Energy Center. The Center provides all of the VAMC's electric and thermal energy needs at a lower cost than would be the case without the Energy Center. Additionally, the Center supplies the energy needs of the East Tennessee State University (ETSU) Medical School's Basic Sciences Research Facility, facility constructed by VA and outleased to ETSU under a separate EUL business plan. The renewably fueled central

cogeneration plant uses processed methane gas from a landfill to generate 7.5 million kWh of renewable energy, which produces 27 percent of the total annual electricity use for this facility.

Benefits to VA: The Mountain Home Trust completed \$3 million of energy-related improvements throughout the campus.

FMA Contribution: \$76,727*

Terms	Property	Key Terms	Awarded	Term
	Wells Fargo Bank (As Trustee)	2 acres	<ul style="list-style-type: none"> Lessee to finance, design, build, and operate a co-generation plant, producing and selling energy to the VAMC, the adjacent State University, and others. VA to receive 100% of the balance of any excess electricity sales to grid, 66% of steam sales, and 63% of chilled water sales after management expenses paid 	1999

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$2,141,780	\$4,996,677
	Cost avoidance	<ul style="list-style-type: none"> N/A 	\$0		
	Cost savings	<ul style="list-style-type: none"> Annual energy cost savings 	\$1,961,013		
	Enhanced services	<ul style="list-style-type: none"> 100% power back up 	\$180,767		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$2,971,383	\$7,968,060
	Cost avoidance	<ul style="list-style-type: none"> N/A 	\$0		
	Cost savings	<ul style="list-style-type: none"> Annual energy cost savings 	\$2,971,383		
	Enhanced services	<ul style="list-style-type: none"> 100% power back up 	\$0		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

*Note: The amount provides is the maintenance reserve required by the Energy Service Agreement. The cost savings based on proforma

Improved VA Operations

Energy

NORTH CHICAGO, ILLINOIS

Energy Phases I and II



MOTIVATION: The purpose of this EUL project is to reduce North Chicago VAMC's energy costs by contracting with a private developer to finance, design, construct, own, operate and maintain a cogeneration Energy Center. The Center supplies all of North Chicago VAMC's electric and thermal energy at a below market cost. This cogeneration plant supplies all the energy required to operate the joint VA/DOD Federal Hospital in the North Chicago area.

Benefits to VA: The Energy Center maintains a state-of the-art energy facility that produces and sells energy to the VAMC with an opportunity to sell energy products to non-VA users, which will benefit VA.

Note: The North Chicago energy center project was executed as two separate enhanced-use leases, in phase I and phase II.

FMA Contribution: \$372,797*

Terms	Property		Key Terms	Awarded	Term
	Cole Taylor Bank	~1 acre	<ul style="list-style-type: none"> ▪ Developer to finance, develop, own, and operate energy center ▪ VA to enter 2 yr energy service agreement ▪ VA to receive 50% of balance of any excess electricity sales to grid, 100% of any 3rd party energy sales after management expenses paid 	Phase I: 2002 Phase II: 2003	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0	\$1,757,055	\$9,013,955
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ Energy savings	\$1,757,055		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ N/A	\$0	\$1,733,970	\$10,747,925
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ Energy savings	\$1,733,970		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

*Note: The amount provided is the maintenance reserve required by the Energy Service Agreement. The cost savings based on proforma

Improved VA Operations

Other

MOUND CITY, ILLINOIS

Visitor Center



MOTIVATION: As a national shrine, Mound City National Cemetery lacked the order and appearance to set it apart from its civilian counterparts. This EUL allowed VA to bring the overall appearance up to national shrine status without the outlay of construction or operating funds through an agreement with the Mound City National Cemetery Preservation Commission.

Benefits to Veterans: This agreement will establish, maintain, and provide Veterans and travelers with an Interpretive/Visitor Center, which is expected to increase visitation to the site to approximately 76,000 visitors per year, as well as help ensure preservation of Mound City National Cemetery as a National shrine.

Benefits to VA: This project will rehabilitate the existing caretaker's center, left in disrepair, which saves the VA either \$100,900 to demolish or \$1,100,000 to refurbish.

FMA Contribution: \$4,317

Terms	Property		Key Terms	Awarded	Term
	Mound City National Cemetery Preservation Commission	0.5 acres, 1 building (1,900 sq ft)	<ul style="list-style-type: none"> ▪ Lessee to develop, finance, & operate lodge and adjacent facilities ▪ Lessee to obtain utilities for the facilities ▪ Funded Maintenance Account: \$1,000/ yr, not to exceed \$5,000 	2003 <i>(Operations began: 2006)</i>	25 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0	\$0	\$0
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ Enhanced visitor experience	No \$ value		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ N/A	\$0	\$0	\$0
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ Enhanced visitor experience	No \$ value		
	VA expense	▪ N/A	\$0		

Improved VA Operations

Other

WEST PALM BEACH, FLORIDA

Public Safety Building, Training and Storage



MOTIVATION: The City of Riviera Beach, Florida, sought to construct a satellite public safety facility to service the growing western portion of the city. VA and the City saw mutual benefit from locating the facility on VA property. Through the EUL, VA could provide unused land to the City rent free. In exchange, the City would provide 900 square feet of long-term storage space to house VA-owned oversized maintenance equipment and provide

safety training for its 1,600 employees.

Benefits to VA: The construction of new storage space represents cost avoidance of approximately \$100,000 to VA over the term of the lease. As a result of the EUL, the VAMC now also enjoys immediate access to fire and police response services.

FMA Contribution: N/A

Terms	Property		Key Terms	Awarded	Term
	City of Riviera Beach, FL (CRB)	0.8 acres	<ul style="list-style-type: none"> CRB to construct 6,000 sq ft building to house fire & police stations, incl.: 900 sq ft to house VA-owned grounds maintenance equipment CRB to provide fire and safety training to VA's 1,600 employees 	1994 <i>(Operations began: 1994)</i>	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> N/A 	\$0		
	Cost avoidance	<ul style="list-style-type: none"> Maintenance and storage space 	\$13,500		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0	\$13,500	\$56,500
	Enhanced services	<ul style="list-style-type: none"> Safety training for employees 	\$0		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> N/A 	\$0		
	Cost avoidance	<ul style="list-style-type: none"> Maintenance and storage space 	\$13,500		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0	\$13,500	\$70,000
	Enhanced services	<ul style="list-style-type: none"> Safety training for employees 	\$0		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

Community Benefit

Affiliate Partnering

CHARLESTON, SOUTH CAROLINA

Affiliate Partnering



MOTIVATION: The Medical University of South Carolina (MUSC), a valued affiliate of VA, has long-range plans to expand its facility to include a new patient bed tower, an associated low-rise diagnostic and treatment facility, and parking facilities adjacent to the VAMC. The MUSC master plan, which Charleston VAMC supports, requires property rights to a one-block segment of Doughty Street, a primary VAMC access road. This EUL project leases a section of street to MUSC to facilitate MUSC's development plans, enabling MUSC to remain at its current downtown location and complete its expansion.

Benefits to VA: This EUL helps secure the existing, strong affiliate relationship between VA and MUSC, while improving surrounding roadways, and provides monetary consideration to VA, to use to improve health care services to Veterans at the VAMC.

FMA Contribution: N/A

Terms	Property		Key Terms	Awarded	Term
	Medical University Hospital Authority	0.48 acres	<ul style="list-style-type: none"> Lump sum payment of \$342,000 when project closes street for construction-related purposes Annual lease payment \$171,000/yr for the first 8 years 2004 	2004 <i>(Operations began: April 2006)</i>	75 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ Rent	\$171,000	\$171,000	\$1,026,000
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ Rent	\$171,000	\$171,000	\$1,197,000
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

Community Benefit

Research/ Medical Facilities

MOUNTAIN HOME, TENNESSEE

Medical School



MOTIVATION: Over the years, East Tennessee State University (ETSU) and VA have had a productive arrangement for ETSU's rent of VA land; however, short-term leases left VA responsible for providing and funding all maintenance and capital improvements on behalf of ETSU. Enhanced-use leasing offered the opportunity to give ETSU additional leasehold security while transferring full legal and financial responsibility for the operation, maintenance, repair and improvement of the property to ETSU.

Benefits to VA: Cost avoidance to VA \$142,500 a year. Under this EUL, the property will continue to be used exclusively as a teaching facility by ETSU's James H. Quillen College of Medicine.

FMA Contribution: N/A

Terms	Property		Key Terms	Awarded	Term
	East Tennessee State University	31 acres, 9 buildings	<ul style="list-style-type: none"> ETSU will assume all financial responsibility for the maintenance and capital improvements of all leased buildings and ground in accordance with State historical preservation requirements 	1998 <i>(Operations continued: 1998)</i>	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$2,050,163	\$5,179,535
	Cost avoidance	<ul style="list-style-type: none"> Buildings and land maintenance 	\$2,050,163		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services	<ul style="list-style-type: none"> N/A 	\$0		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$2,050,163	\$7,229,698
	Cost avoidance	<ul style="list-style-type: none"> Buildings and land maintenance 	\$2,050,163		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services	<ul style="list-style-type: none"> N/A 	\$0		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

Community Benefit

Child Care

DALLAS, TEXAS

Child Development Center



MOTIVATION: A 1996 survey at Dallas VAMC identified a child care requirement for approximately 80 VAMC employees' dependents, ages five or younger. Although Dallas has approximately 116 child care centers within a five-mile radius of the Medical Center, many of these centers are operating at or near capacity and do not offer a full range of services. Through this EUL VA was able to acquire high quality child care services at a reduced cost for VA employees.

Benefits to the community and VA: There is strong support in both the community and among VA staff to create a new center that offers a full range of services, including care for infants. While VA has the authority to make space available in Federal buildings for child care (Tribble Amendment) or outlease VA space, no extra space in close proximity or at the VAMC is available. Meanwhile, building a day care center with VA construction funds has the highest up-front cost and provides no cost-sharing benefits from the participation of other users. Instead, VA pursued an enhanced-use lease to finish out and furnish the community center building shell to be operated as a child development center.

FMA Contribution: \$0

Terms	Lessee	Property	Key Terms	Awarded	Term
	Carousel Academy	1.5 acres, on-site community center building shell	<ul style="list-style-type: none"> Lessee to finish out, furnish, operate and maintain a child development center. Discount on child care services to children of VA employees 	1999 <i>(Carousel Academy moved in January 2003)</i>	20 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$37,777	\$194,721
	Cost avoidance	<ul style="list-style-type: none"> Maintenance 	\$30,097		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services	<ul style="list-style-type: none"> Discounts provided to approx. 77 children of VA employees 	\$7,680		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> N/A 	\$0	\$33,197	\$227,918
	Cost avoidance	<ul style="list-style-type: none"> Maintenance 	\$30,097		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services	<ul style="list-style-type: none"> Discounts provided to approx. 31 children of VA employees 	\$3,100		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

Enhanced services dropped due to decrease in enrollment

Community Benefit

Child Care

DAYTON, OHIO
Childcare



MOTIVATION: VAMC Dayton had a valued partnership with Catholic Social Services (CSS) to provide child care services in building 401 through short-term leases since 1985. However, by 2004, plumbing and electrical system problems in building 401 had deteriorated to the point of threatening the day care's licensure. Through the long-term enhanced-use lease with the day care provider, CSS renovated the building as well as invested in the expansion of the center to include infant care services. In addition to access to high quality on-site child care, VA receives rent from CSS and cost avoidance for maintenance.

Benefits to Veterans and Community: The presence of the children on the campus has a positive impact as they visit nursing home patients, attend programs to honor Veterans, and even dress up in costumes for Halloween and "trick-or-treat" to different areas on campus.

FMA Contribution: N/A

Terms	Lessee	Property	Key Terms	Awarded	Term
	Catholic Social Services (CSS)	23,600 sq ft in Building 401 and 11,500 sq ft of an abutting playground	<ul style="list-style-type: none"> Lessee to construct, renovate, refurbish and operate an existing child daycare center At least 60 child care slots made available for VA employees \$1,800 monthly rent (to increase 2% annually) 	2004 <i>(Operations began: 2004)</i>	20 Years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	<ul style="list-style-type: none"> Rent 	\$23,193	\$172,160	\$610,458
	Cost avoidance	<ul style="list-style-type: none"> Maintenance 	\$66,719		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services	<ul style="list-style-type: none"> 64 children of VA employees enrolled 	\$82,248		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		
2010	Revenue	<ul style="list-style-type: none"> Rent 	\$23,696	\$154,716	\$765,174
	Cost avoidance	<ul style="list-style-type: none"> Maintenance 	\$67,732		
	Cost savings	<ul style="list-style-type: none"> N/A 	\$0		
	Enhanced services	<ul style="list-style-type: none"> 66 children of VA employees enrolled 	\$63,288		
	VA expense	<ul style="list-style-type: none"> N/A 	\$0		

Community Benefit

Child Care

WASHINGTON, DC

Child Development Center



MOTIVATION: The Washington, DC VAMC identified a need for child care options for its 1,700 full and part-time employees. The VAMC identified an ideal location, on the VA campus, that was in proximity to four major hospitals within a city block radius. This EUL provides a high quality, low cost option for child care to VA employees.

Benefits to the community: Enhanced-use leasing allowed on-site child care to be built without either losing VAMC space or incurring the capital costs.

Benefits to VA: Improved employee access to on-site childcare at a reduced rate.

FMA Contribution: \$0.00

Terms	Property	Key Terms	Awarded	Term
	La Petite Academy	1.3 acres	<ul style="list-style-type: none"> ▪ Lessee to finance, design, build, and manage an on-site, quality child care center for 100 children ▪ Priority enrollment & reduced user fee provided to children of VA employees ▪ Funded Maintenance Account 	1993

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0	\$48,417	\$125,054
	Cost avoidance	▪ Maintenance	\$13,057		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ 10 children placed @ reduced rate	\$35,360		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ N/A	\$0	\$20,800	\$145,854
	Cost avoidance	▪ Maintenance	\$0		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ 8 children placed @ reduced rate	\$20,800		
	VA expense	▪ N/A	\$0		

Community Benefit

Golf Course

NORTH LITTLE ROCK, ARKANSAS

Golf Course



MOTIVATION: Prior to this EUL, VA's North Little Rock golf course was managed by a series of entities, including the VA Compensated Work Therapy (CWT) Program, local lessees, and volunteers. Although most functioned well at first, none were able to sustain the goal of cost-neutral operations for the long-term. In 1995, VHA issued a decision document stating that it would no longer fund the management/operation of golf courses. In order to maintain its golf course, the VAMC pursued an EUL with the City of North Little Rock Arkansas to improve, operate and maintain the 72-acre golf course site.

Benefits to Veterans, VA, and the community: Through this lease, the City undertook new construction improvements to cart paths, clubhouse and shelters, while decreasing VA annual operating and maintenance costs. VA receives fee and membership concessions for Veterans, as well as unlimited patient use of driving range and discounted green fee for patients and employees.

FMA Contribution: N/A

Terms	Lessee	Property	Key Terms	Awarded	Term
	City of North Little Rock Arkansas	72 acres, existing 9-hole golf course	<ul style="list-style-type: none"> ▪ VA inpatients play free and receive free golf lessons ▪ Other Veterans & VA employees receive \$1 discount for rounds during the week 	1998	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0	\$77,668	\$311,374
	Cost avoidance	▪ Ground maintenance	\$61,800		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ Discounted rounds	\$15,868		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ N/A	\$0	\$75,189	\$386,563
	Cost avoidance	▪ Ground maintenance	\$64,000		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ Discounted rounds	\$11,189		
	VA expense	▪ N/A	\$0		

Community Benefit

Golf Course

ST. CLOUD, MINNESOTA

Golf Course



MOTIVATION: Prior to this EUL, the City of St. Cloud had been leasing this golf course site for a nominal fee of \$1 per year. Instituting a long-term EUL allowed the City to make significant capital improvements, thereby increasing the value of the property, the potential revenue generated by the City, and the resulting return to VA.

Benefits to Veterans, VA, and the community: Since the City has assumed management and operations of the golf course, it has redesigned and made significant improvements to the property, including landscaping, installation of a security fence,

and the design and construction of a baseball stadium. In addition, VA receives up to 2,000 free rounds of golf per year.

FMA Contribution: N/A

Terms	Lessee	Property	Key Terms	Awarded	Term
	City of St. Cloud	34 acres (existing golf course)	<ul style="list-style-type: none"> ▪ City provides water/sewer credit to VA equal to: ▪ \$5,000/yr plus ▪ 5% gross revenues during first 20 years; ▪ 7% gross revenues over last 15 years, ▪ plus 1% of baseball stadium gross revenues over last 15 years ▪ Up to 2,000 rounds per year free to VA patients and accompanying staff, along with reserved tee times. 	1997 <i>(Operations began: 1998)</i>	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ Water & Sewer Credit	\$13,182	\$46,180	\$157,107
	Cost avoidance	▪ Grounds maintenance:	\$11,252		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ Free passes	\$21,746		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ Water & Sewer Credit	\$13,409	\$51,256	\$208,363
	Cost avoidance	▪ Grounds maintenance	\$11,556		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ Free passes	\$26,291		
	VA expense	▪ N/A	\$0		

Community Benefit

Affiliate Parking

SIOUX FALLS, SOUTH DAKOTA

Parking



MOTIVATION: The Children’s Care Hospital and School (CCHS) needed additional parking to accommodate its operations, but had no available space. VA had the land but it needed capital funding to convert it to a much-needed parking lot. Through the EUL the developer built and maintained a surface parking lot, with additional parking for VA. VA estimates total financial benefit from the project at approximately \$58,000 prior to 2005. This estimate accounts for the value of the portion of the parking facility now used by VA, and assumes no additional financial gain between the cost avoidance from maintenance of the land prior to development and VA’s continued responsibility for providing ancillary services, such as snow removal and utilities, which roughly balance out.

Benefits to Veterans, VA, and the community: As a community service to CCHS, VA has leased space for the construction of a two-level parking lot which will alleviate CCHS’s parking problems, as well as accommodate

VA’s parking overflow, at no capital cost.

FMA Contribution: N/A

Terms	Lessee	Property	Key Terms	Awarded	Term
	Children’s Care Hospital and School	2.6 acre	<ul style="list-style-type: none"> ▪ 86 of 169 parking spaces for use by VA (at no cost) ▪ VA responsible for snow removal and non-construction utility costs, incl. electricity ▪ Developer responsible for all construction costs and ongoing maintenance ▪ At lease termination, parking lot becomes property of VA 	1999	20 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ N/A	\$0	\$43,800	\$221,510
	Cost avoidance	▪ Maintenance	\$0		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ 80 parking spaces	\$43,800		
	VA expense	▪ Ancillary services provided	\$0		
2010	Revenue	▪ N/A	\$0	\$341,652	\$563,162
	Cost avoidance	▪ Maintenance	\$0		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ 169 parking spaces	\$135,876		
	VA expense	▪ Ancillary services provided	\$0		

**Total Enhanced services increased from 09 to 10 due to change in the calculation methodology. The 2010 figures include total number of parking spaces created versus the number of parking used by VA and /or Veterans.*

Community Benefit

Other

CHILLICOTHE, OH

Mixed-Use/Stadium



MOTIVATION: VA Memorial Stadium was built by the Blue Star Mothers and was dedicated on May 1, 1955. The stadium has hosted several community and Veteran events. The enhanced-use lease will provide for necessary repairs and upgrades to maintaining the integrity of the facility at no cost to VA.

Benefits to Veterans: Improvements at the stadium will provide Veterans with readily available activities such as concerts, ball games, etc.

Benefits to VA: This VA Memorial Stadium multi-purpose facility project provides VA non-routine capital improvement, fair market rent, use of the stadium at no cost and ground and building maintenance cost avoidance.

FMA Contribution: N/A

Terms	Property	Key Terms	Awarded	Term
Ross County, Chillicothe Ohio	4.273 acres	<ul style="list-style-type: none"> ▪ Lessees to preserve, operate, manage and maintain the property, which includes the VA Memorial Stadium and its accessory facilities. ▪ Lessee is responsible for utilities for the multipurpose Memorial Stadium facilities ▪ Lessee shall undertake and complete yearly capital improvements to the property in an amount totaling at least \$7,500.00. ▪ Lessee to pay annual rent of \$3,500 to VA. 	2008	30 years with (2) Ten Year Options

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ Rent ¹	\$3,500		
	Cost avoidance	▪ Maintenance ²	\$60,000		
	Cost savings	▪ N/A	\$0	\$63,500	\$63,500
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ Rent ¹	\$3,500		
	Cost avoidance	▪ Maintenance	\$80,000		
	Cost savings	▪ N/A	\$0	\$92,000	\$155,500
	Enhanced services	▪ N/A	\$8,500		
	VA expense	▪ N/A	\$0		

1. Payment received by VA in FY2010.

2. Amount prorated to reflect start of operations in January 2009.

Community Benefit

Other

Cleveland, Ohio

Mixed Use Development



MOTIVATION: Brecksville Veterans Affairs Medical Center (VAMC) functions will be relocated on or proximate to Cleveland Wade Park VAMC campus. VA leased the entire Brecksville site consisting of 100 acres to Veterans Development, LLC to successfully redevelop Brecksville -- once VA ceases operations on the property -- to its fullest potential, subject to VA approval and oversight. In exchange, VA will receive fair market value consideration totaling \$6 million.

Benefits to the community: This lease would result in substantial short- and long-term economic stimulus for the City of Brecksville and the local economy due to additional tax revenues, sales, and job creation.

FMA Contribution: \$5,000

Terms	Lessee	Property	Key Terms	Awarded	Term
	Veterans Development, LLC	100 acres	<ul style="list-style-type: none"> Direct consideration in the amount of \$2,000,000 cash; Indirect consideration including all obligations under the Service Agreements (office, parking, and domiciliary near the Wade Park campus); office space of 6,962 square feet at no cost to VA; 75 parking spaces per day for 240 months at no cost to VA 	2009	75 years

Outcomes

	Consideration	Description	\$ Value	\$Total	Cumulative since 2006
2010	Construction pending/anticipated completion May 2011(indirect consideration)				

Community Benefit

Other

MINNEAPOLIS, MINNESOTA

Credit Union



MOTIVATION: VA had the opportunity to relocate its federal credit union from the VAMC to an underutilized half-acre of land, allowing for an expansion in the quality of credit union services and the return of the previously leased space to the VAMC for patient and staff purposes. Other than the underlying lease of the site, this agreement does not obligate VA (either explicitly or implicitly) to any financial or other commitments pertaining to the construction, operation, or maintenance of leasehold improvements. This EUL provided a venue to reduce maintenance costs while increasing access to the credit union services and freeing medical center space for clinical use.

Benefits to the community: Expanded credit union services include a 24-hour drive-up ATM, extended hours, implementation of better privacy measures for financial transactions, and better access to the credit union by car.

FMA Contribution: \$5,000

Terms	Lessee	Property	Key Terms	Awarded	Term
	Fort Snelling Federal Credit Union	0.5 acres	<ul style="list-style-type: none"> ▪ Lessee to build 3,000 sq ft building, with 1,120 sq ft four-unit drive-up canopy, to house the credit union ▪ Rent: \$8,000/yr 	2004	35 years

Outcomes

	Consideration	Description	\$ Value	\$Total	Cumulative since 2006
2009	Revenue	▪ Rent	\$8,000	\$8,000	\$32,000
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ Rent	\$8,000	\$8,000	\$40,000
	Cost avoidance	▪ N/A	\$0		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

Community Benefit

Other

PERSHING HALL, FRANCE

Hotel



MOTIVATION: Since 1928, the Pershing Hall building has been used to accommodate American Veterans from World War I and World War II. This use was perpetuated in the form of a club for members of the American Expeditionary Forces (American Legion). Prior to this agreement, the American Battle Monuments Commission managed and maintained this historic landmark in Paris, France. In 1994, Section 403 of Public Law 102-86 transferred the management and maintenance responsibilities of this building to the Department of Veterans Affairs.

The costs of maintaining this historical landmark, and the distance and deteriorating conditions of the building used as an office, generated interest in leasing the property to a developer to convert to a Hotel with basic rent. Through this agreement VA was able to renovate and maintain the property while receiving revenue.

Benefits to the community: Since the developer assumed management and operations the building has been redesigned and significant improvements have been made to the property.

FMA Contribution: N/A

Terms	Lessee	Property	Key Terms	Awarded	Term
	LA Partners	Building in 49 Rue Pierre Charron	<ul style="list-style-type: none"> ▪ Use of building must never directly or indirectly counter the USA's interest ▪ Lessee to improve, manage and operate a hotel and restaurant ▪ Displaying the commemorative plaques and bronzes, original paintings, bronze busts sculpture ▪ Lump sum of 2,948,610.00 French francs at signing ▪ Rent: approximately 800,000 French francs adjusted to inflation 	1998 <i>Under Public Law 102-86</i>	99 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ Rent	\$327,613	\$429,463	\$1,057,653
	Cost avoidance	▪ Facility Maintenance	\$101,850		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ Rent	\$234,565	\$336,313	\$1,393,966
	Cost avoidance	▪ Facility maintenance	\$101,850		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

Community Benefit

Other

SOMERVILLE, NEW JERSEY

Asset Management Service Facility



MOTIVATION: Originally created in 1943 as a prisoner of war camp and Quartermaster Corps depot, the 355-acre Somerville site was redeveloped as a supply center for VA in 1947. The property was later divided between VA, the General Services Administration (GSA), and Somerset County, leaving VA with a 165.3-acre site. In 2003, VA was using only one of four major warehouses on the property, yet overall property maintenance costs were high. As a result, VA

expects to realize \$6 million in cost avoidance between maintenance, personnel costs, and the lessee bringing the warehouse up to code. In addition, VA receives a new source of non-appropriated revenues, highest and best use of the property, and a significant increase in the asset value of the property and buildings.

Benefits to VA: Through this EUL, the developer assumes 100% of the cost of operations, upgrade/retrofit, maintenance and development of the site to include buildings, roads, railway, utilities, wastewater treatment plant, water tower, and fire suppression systems, requiring no capital investment from VA.

FMA Contribution: \$166,072

Terms	Lessee	Property	Key Terms	Awarded	Term
	Somerville Business Park LLC	165 acres, incl. 1.2 million square feet of warehouse and distribution facilities and outbuildings	<ul style="list-style-type: none"> ▪ Lessee to pay: ▪ Base rent: \$75,000 in yr 1, increasing by \$50,000 a year to \$300,000 in yr 5-35; ▪ Land rent: \$40,000 in yr 1-35 ▪ "In lieu of payments": \$75,000 in yr 1-4, and \$50,000 in yr 5-35 ▪ FMA: \$0.15/sq ft/yr 	2003	35 years

Outcomes

	Consideration	Description	\$ Value	Total	Cumulative since 2006
2009	Revenue	▪ Base Rent	\$425,382	\$3,222,795	\$11,198,686
	Cost avoidance	▪ Facility maintenance	\$2,797,413		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		
2010	Revenue	▪ Base Rent	\$15,000	\$2,797,413	\$13,996,099
	Cost avoidance	▪ Facility maintenance	\$2,797,413		
	Cost savings	▪ N/A	\$0		
	Enhanced services	▪ N/A	\$0		
	VA expense	▪ N/A	\$0		

The due to financial difficulties by the lessee, payment arrangement has been arranged for the annual rent payment. First rent payment installment was received in 2010.

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Lease Consideration Definitions

1. **Revenue:** New cash or in-kind receipts received by VA.
Revenue does not include reimbursement to VA for services rendered. Revenue may include the value of services the lessee provides to VA that are *not otherwise accounted* for in a rent payment from VA to lessee.
Examples of Revenue:
 - One-time lump sum payment
 - Annual rent paid to VA
 - \$5,000 water voucher from city to VA for VA's use
2. **Cost Avoidance:** The portion of the value of goods or services provided by the lessee that VA would have otherwise paid in the absence of the lease.
Cost Avoidance does not include investment or expenses incurred by the lessee that are over and above what VA was paying or would have to pay. For example, where lessee invests \$2 million to renovate a building that VA was paying \$40,000 annually to maintain in an unoccupied state, only the \$40,000 adjusted for inflation, is counted as cost avoidance. Similarly, if a lessee provides two new services to Veterans, one of which substitutes for a service a VA medical center was providing, only the service that substituted for the VA program would be recorded as cost avoidance. (The service that was provided over and above what VA provides would be recorded as an "Enhanced Service.")

Cost avoidance for homeless and transitional housing projects is calculated using 25 percent of a conservative nationwide average of the estimated cost (bed per day rate) to provide SRO services.
Examples of Cost Avoidance:
 - Veteran housing that *substitutes* for VA bed days of care
 - Facility and grounds maintenance
 - New capital asset constructed exclusively for VA use
3. **Cost Savings:** Market price of goods or services supplied to VA through the lease minus VA's current cost to procure these goods or services (including trust or associated fees) or savings associated with process improvements.
All cost savings in this report relate to necessary commodity purchases, such as office space, parking, or energy. Cost savings may also emanate from process improvements related to a lease, such as faster Veteran's benefit processing times (VBA and VHA collocation).
Examples of Cost Savings:
 - Commodity purchases (e.g. office space, energy, parking)
 - Process improvements (e.g. staff time saved through new process)
4. **Enhanced Services:** A service expansion or improvement resulting from the lease with quantifiable value that *does not directly affect VA's operating budget*.
Enhanced services includes services that do not substitute for VA services, either because the service is not available in quantities to meet demand or because the service falls outside the scope of services provided by VA medical centers (e.g. transitional housing, hospice services). Similarly, enhanced services include discounts on market services that might not otherwise be available (e.g. recreational therapy, day care).

Benchmarks for the enhanced services are obtained from the Housing and Urban Development (HUD) website under the Final FY Fair Market Rent Documentation System. These rates are based on a one-bedroom in the appropriate area's market (county, city, or town). In addition, VA Regional Offices benchmarks were calculated using best available market rate from BOMA and other sources.
Examples of Enhanced Services:
 - New or expanded Veteran housing that does not substitute for VA bed days of care
 - Veteran or employee discounts
5. **VA Expense:** A cost in part or in whole attributed to the enhanced-use lease (excluding lease administration costs) which is not already subtracted in a calculation of cost savings.
Examples of VA Expense:
 - Ancillary services VA provides to lessee that are not reimbursed
6. **Funded Maintenance Account (FMA):** An escrow account required by lease provision and funded by the lessee; established for the purpose of ensuring that the lessee set aside adequate funds to maintain the leased VA real property over the term of the lease. FMA provisions are included in some, but not all enhanced-use leases. Where no contribution to a Funded Maintenance Account exists, either because there is no FMA associated with the lease or because this requirement has been waived, "FMA Contribution" in this report is labeled "N/A."