


# Capital Asset Realignment for Enhanced Services (CARES)

Lexington Study Site

Local Advisory Panel  
Public Meeting

September 20, 2006





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# Local Advisory Panel (LAP) Meeting Objectives

- Communicate Consultant Stage I recommended Business Plan Options and rationale
- Communicate the Secretary's Decision and rationale
- Communicate the Stage II study process
- Obtain feedback from the LAP and stakeholders regarding each option selected by the Secretary for further study

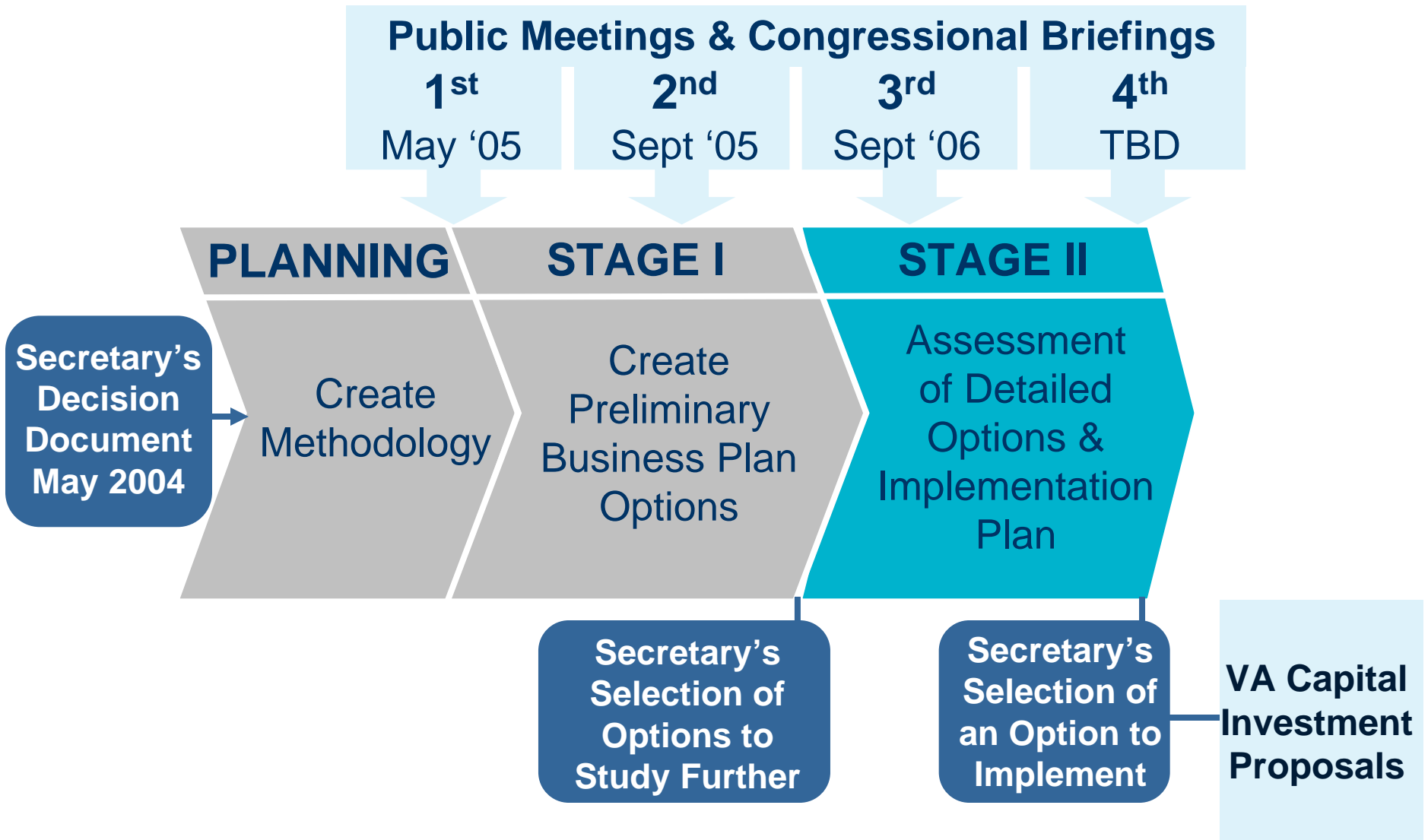
# What's Being Studied at Lexington

- **Capital Planning Study**  
Identify the best use of buildings and facilities for modern healthcare delivery, while maximizing the potential re-use of all or some of the property owned by the VA
- **Re-Use/Redevelopment**  
Identify options that maximize the potential re-use of all or some of the current VA property, if that property is not needed for VA or VA-related services

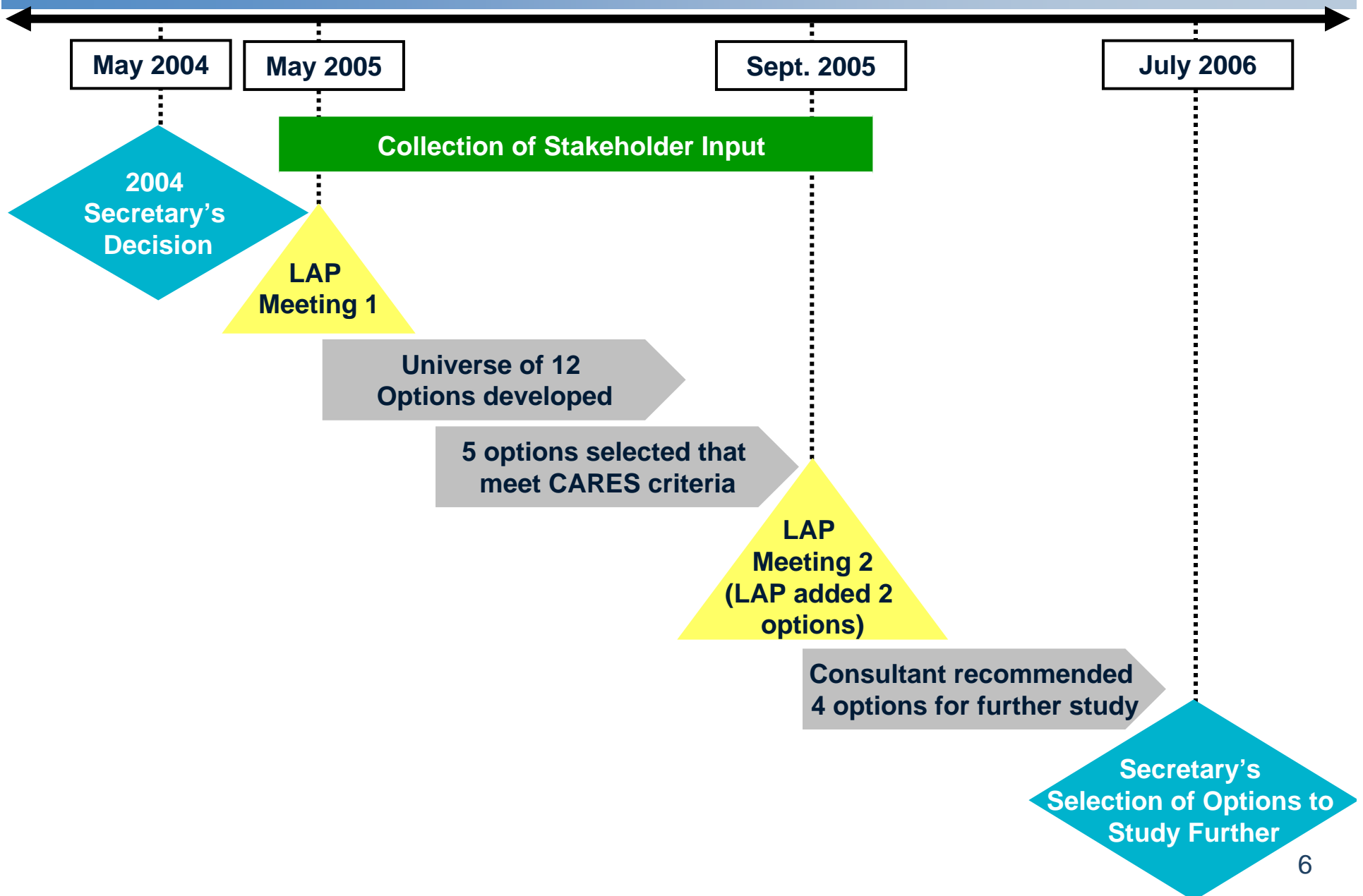
## Background -- 2004 Secretary's Decision Document

- The Secretary will not consider consolidation of the Leestown campus at Cooper Drive, but VA will pursue opportunities to reduce the footprint of the Leestown campus.
- While the mission of the Leestown campus will remain unchanged, the Master Plan will propose an efficient, cost-effective, and appropriately sized footprint that will reduce vacant and underused space on the campus.
- The Master Plan will consider enhanced use lease opportunities and will ensure that any plan for alternate use or disposal of VA property serves to enhance the Department's mission.

# CARES Project Overview



# Stage I – Developed a Set of Potential Options



## The Following Factors Were Considered in Developing and Assessing Each Option

- Healthcare demand at the Leestown campus is increasing.
- Addressing substantial vacant and underused space provides for better use of VA resources.
- The level of capital expenditure required over the next 20 years to upgrade facilities to modern, safe, and secure standards is significant.
- Economic conditions and market demand for real estate are favorable.



## In Stage I the Consultant Recommended Four Options for Further Study

<b>Option 1</b>	Baseline: Renovation and maintenance of existing buildings for a modern, safe, and secure healthcare environment. The lower two floors of existing Buildings 27 and 28 will be renovated to accommodate outpatient workload. Ambulatory workload relocated to Buildings 27 and 28. Renovate nursing home and mental health facilities.
<b>Option 4</b>	Construct a 65,000 Square Foot Outpatient Building on the Central Portion of the Campus
<b>Option 5</b>	Replace all Facilities on Vacant Land in the Southeastern Part of the Campus
<b>Option 6</b>	New Option Proposed by LAP: Construct a 65,000 Square Foot Outpatient Building Adjacent to Buildings 17 and 25

## Why the Consultant Recommended These Options for Further Study

- New outpatient space increases operating efficiency
- Higher re-use value than baseline
- Accomplishes a reduction in campus footprint
- Creates a modern and right-sized facility
- Addresses the need for a reduced footprint

## The Consultant Did Not Recommend Three Options for Further Study

<b>Option 2</b>	Renovate Buildings 25 and 17 on the Northwest Corner of Campus
<b>Option 3</b>	Renovate Buildings 25 and 17 and Construct an Adjacent 30,000 Square Foot Outpatient Building
<b>Option 7</b>	New Option Proposed by LAP: Construct a 65,000 Square Foot Outpatient Building Adjacent to Buildings 17 and 25; Retain all Land on the West Side of Campus

## Why the Consultant Did Not Recommend These Options for Further Study

- Renovation alone does not produce the most effective space configuration
- Lengthy renovation makes the risk of patient disruption greater
- Construction and partial renovation is not the most effective way to address the need for new outpatient space
- Reduced re-use potential

# Stakeholder Input

- Stakeholder input was used in Stage I to assist in the development of potential options as well as to evaluate the degree of support or concern regarding the potential option
- Stakeholders were most supportive of the baseline option (option 1) that keeps services on site as well as option 2 which calls for the consolidation of outpatient services in renovated vacant space

# LAP Input

- The LAP proposed two new options, options 6 and 7
  - The reasoning behind option 6 was to achieve a more centrally located outpatient clinic on campus by moving the outpatient building in option 4 to the location proposed in option 3
  - The reasoning behind option 7 was to preserve the existing footprint of the campus and protect land for future VA use
- The LAP rejected option 2 because of concerns about clinics being accommodated within Building 25
- The LAP rejected option 4 because of concerns about the location of the outpatient clinic
- The LAP rejected option 5 because of concerns over changing the footprint of the Leestown campus and giving up too much land for re-use

# Review of Secretary's Decision and Approved Options for Further Study in Stage II

Jay Halpern  
Special Assistant to the  
Secretary





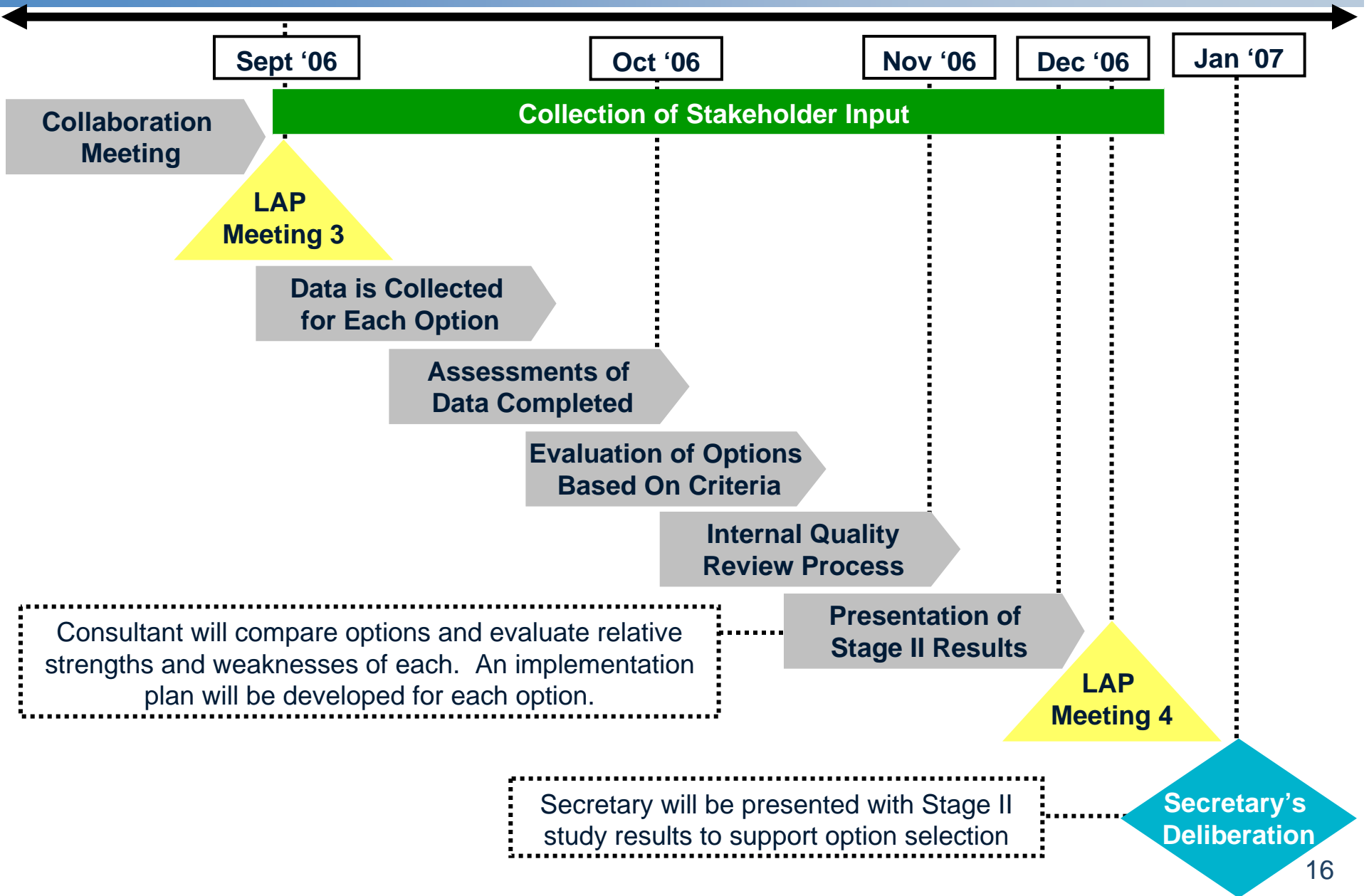
# Review of Stage II Methodology and Options for Further Study

Team  
PricewaterhouseCoopers





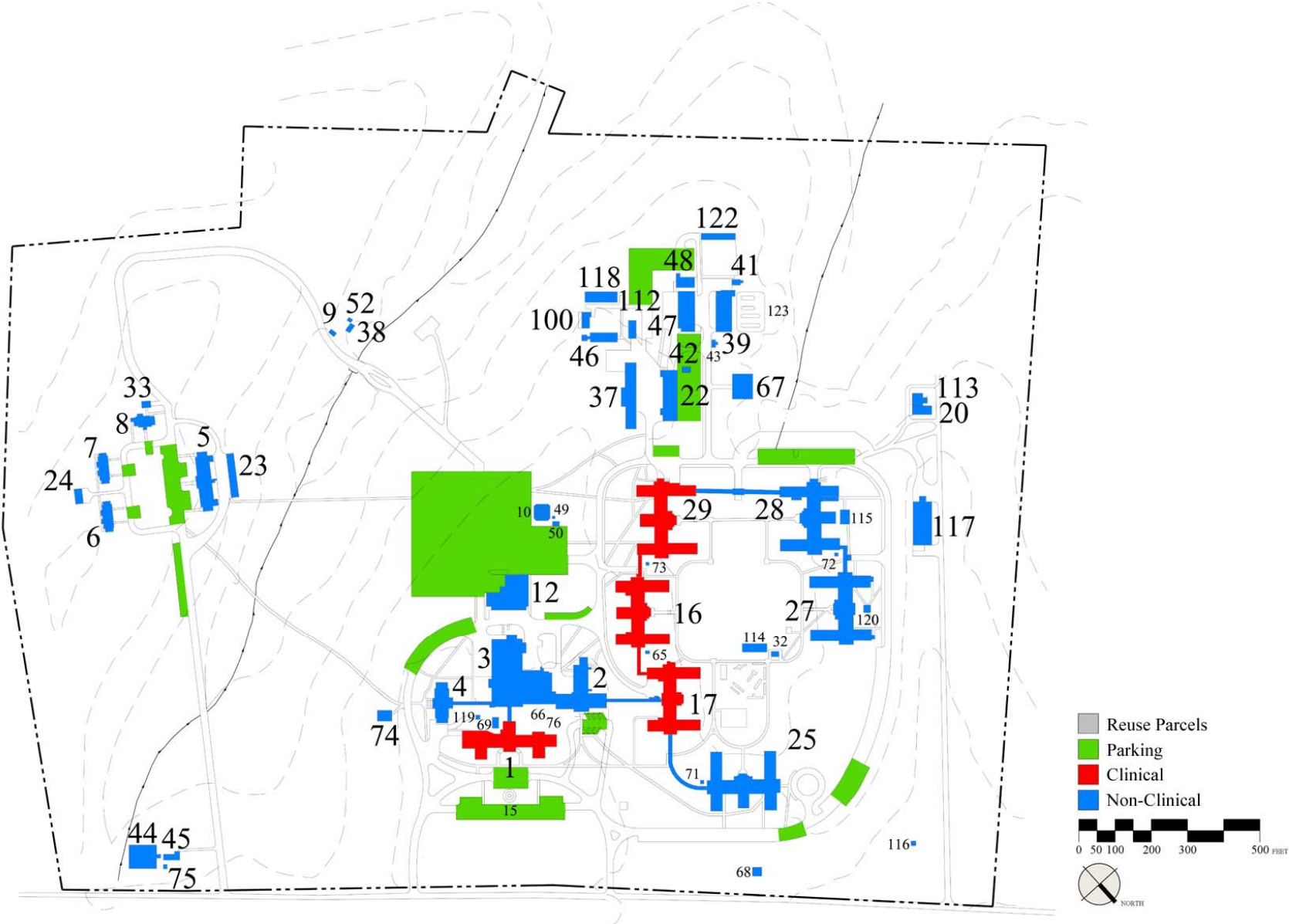
# Stage II Study Process



## Clarifying the Options for Study in Stage II

- Following the Secretary's recent decision announcement, the Consultant met with local VA representatives to review each option selected by the Secretary for further study
- The purpose of these meetings was to:
  - Understand the Secretary's recent decisions
  - Clarify the Secretary's decision regarding changes to healthcare service delivery, facilities and availability of land/buildings for re-use
  - Refine the option descriptions and site maps to take into account any information concerning the facility or the application of Stage II study assumptions
  - Clarify the option descriptions for ease of understanding and consistency

# Site Plan - Existing



## **Option 1: Baseline Option**

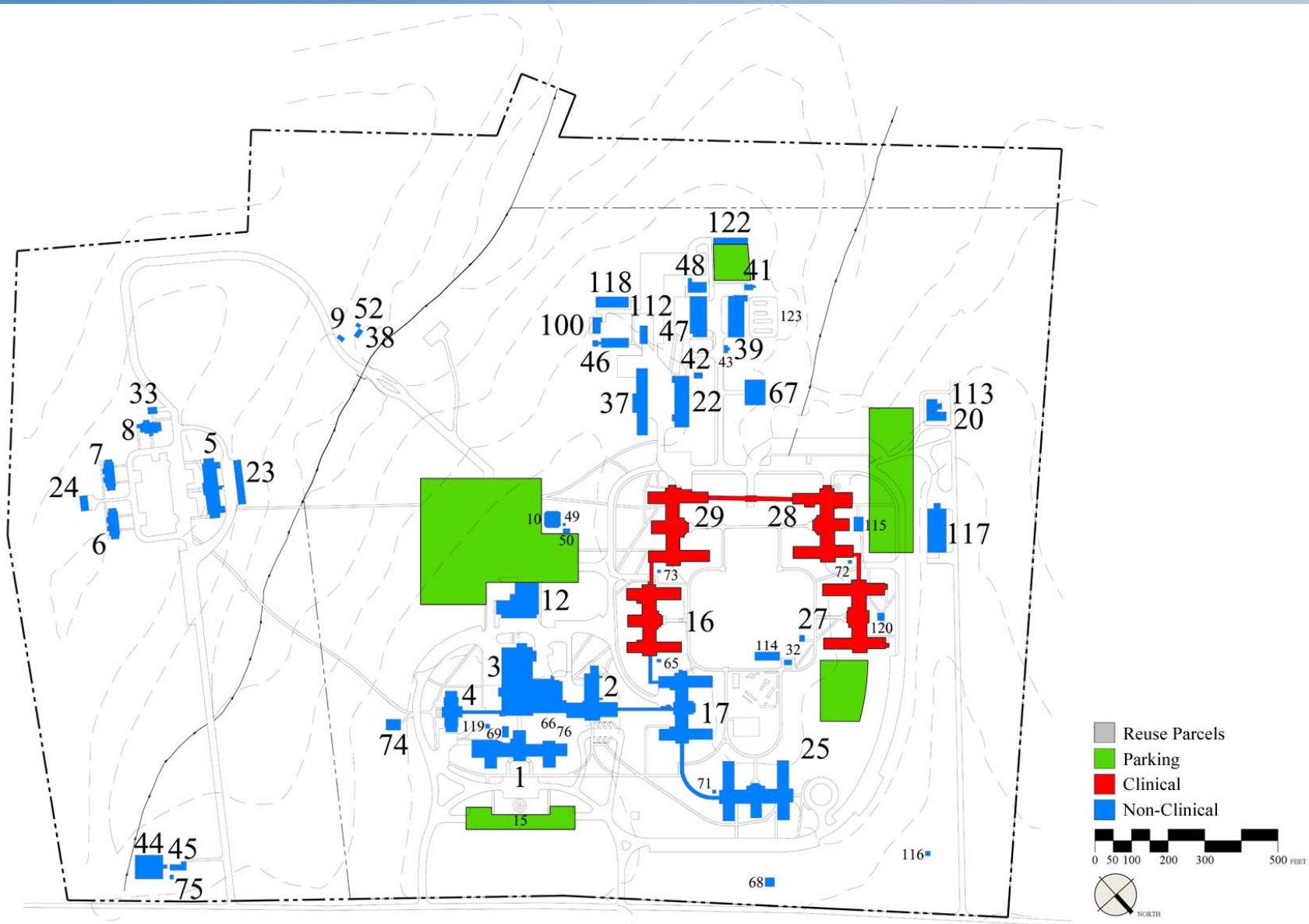
Current state projected out to 2013 and 2023 without any changes to facilities or programs (except as indicated in the Secretary's Decision).

Renovation and maintenance of existing buildings for a modern, safe, and secure healthcare environment, where conditions allow.

- Buildings 16 and 28 would be renovated to accommodate outpatient workload.
- Outpatient workload currently delivered in Building 1 would be relocated to Buildings 16 and 28.
- The nursing home would be relocated.
- Both the nursing home (Building 27) and mental health residential facilities (Building 29) would be renovated.
- New surface parking around these buildings would be constructed to accommodate the increased number of patients.

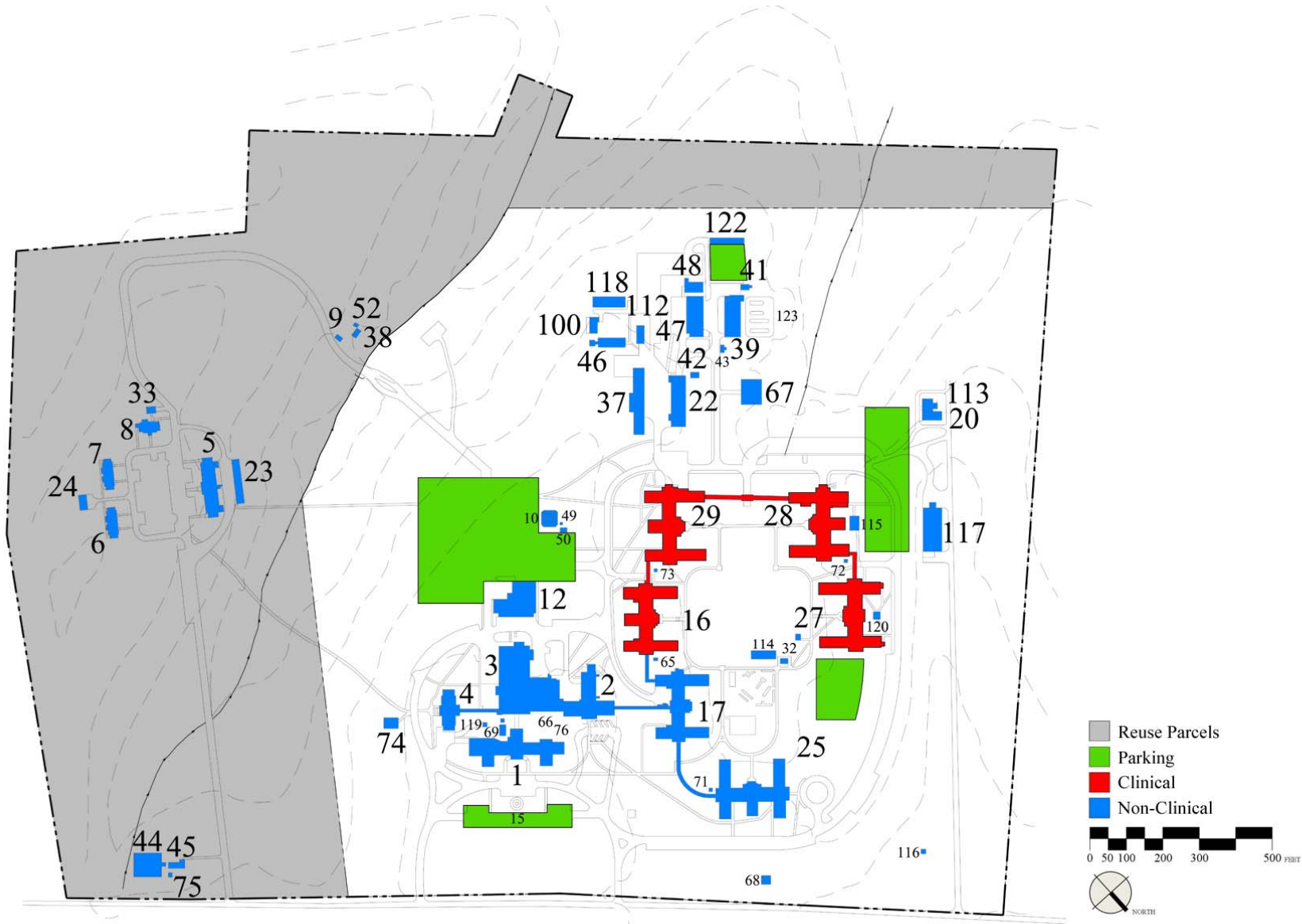
Footnote: As buildings and land become vacant over the forecast period, the study will assess the re-use potential of Parcel 1 as well as vacant buildings.

# Option 1 Baseline



Conceptual site plan for illustrative purposes only.

# Option 1 Baseline (with Re-use Parcel 1)



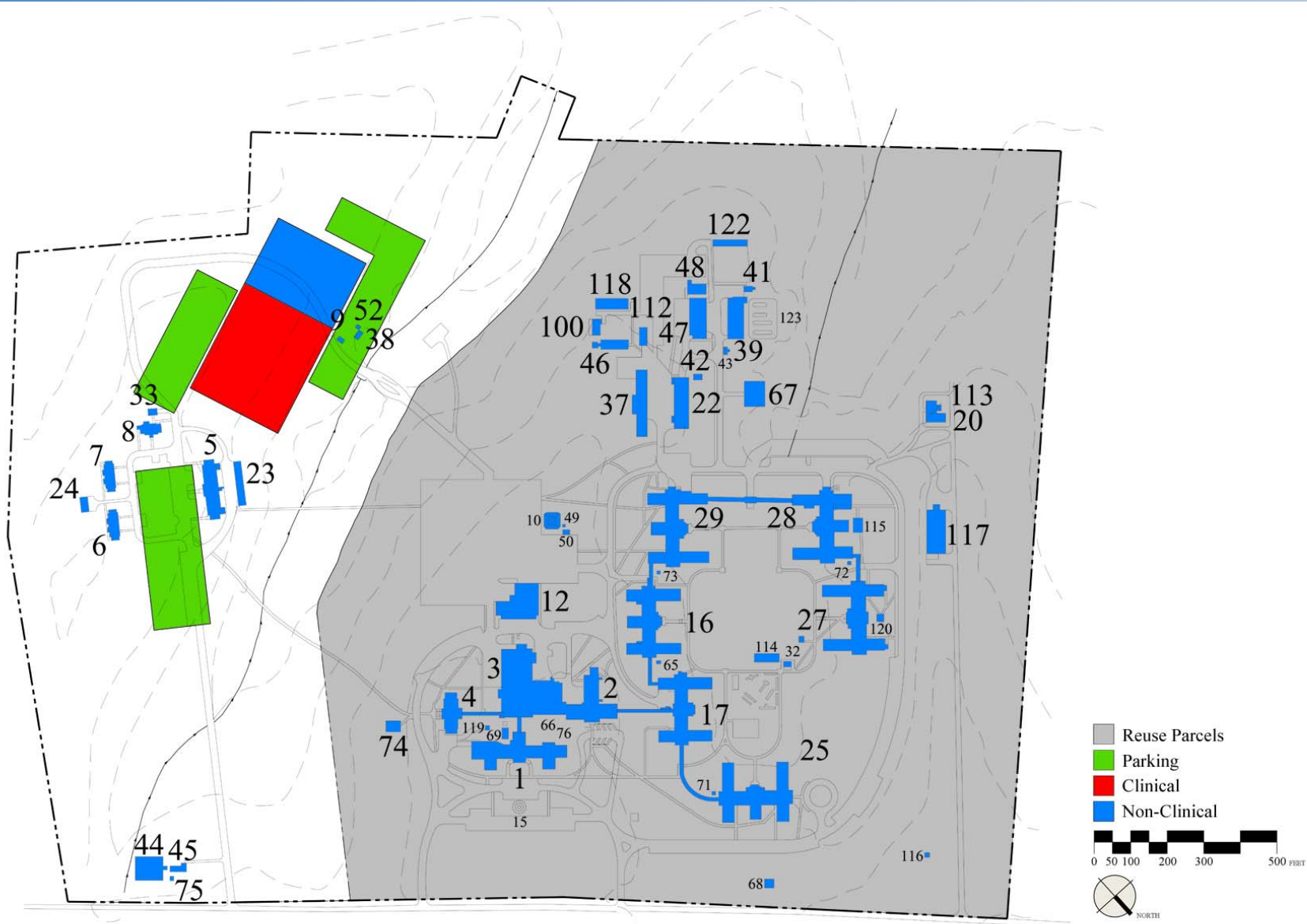
Conceptual site plan for illustrative purposes only.

## **Option 5: Replace all Facilities on Southeastern Part of the Campus**

- Appropriately sized multi-story facilities to house all clinical and administrative functions and new surface parking to accommodate the increased number of patients would be constructed in the southeastern part of the campus on land which is mostly vacant.
- Nine smaller buildings, some of which were previously used as quarters for staff, will be demolished to accommodate the building and adjacent parking area.
- The main part of the campus will be completely vacated and all buildings and land available for re-use.
- Remaining acreage identified as Parcel 2 will be available for reuse.



# Option 5 (with Re-use Parcel 2)



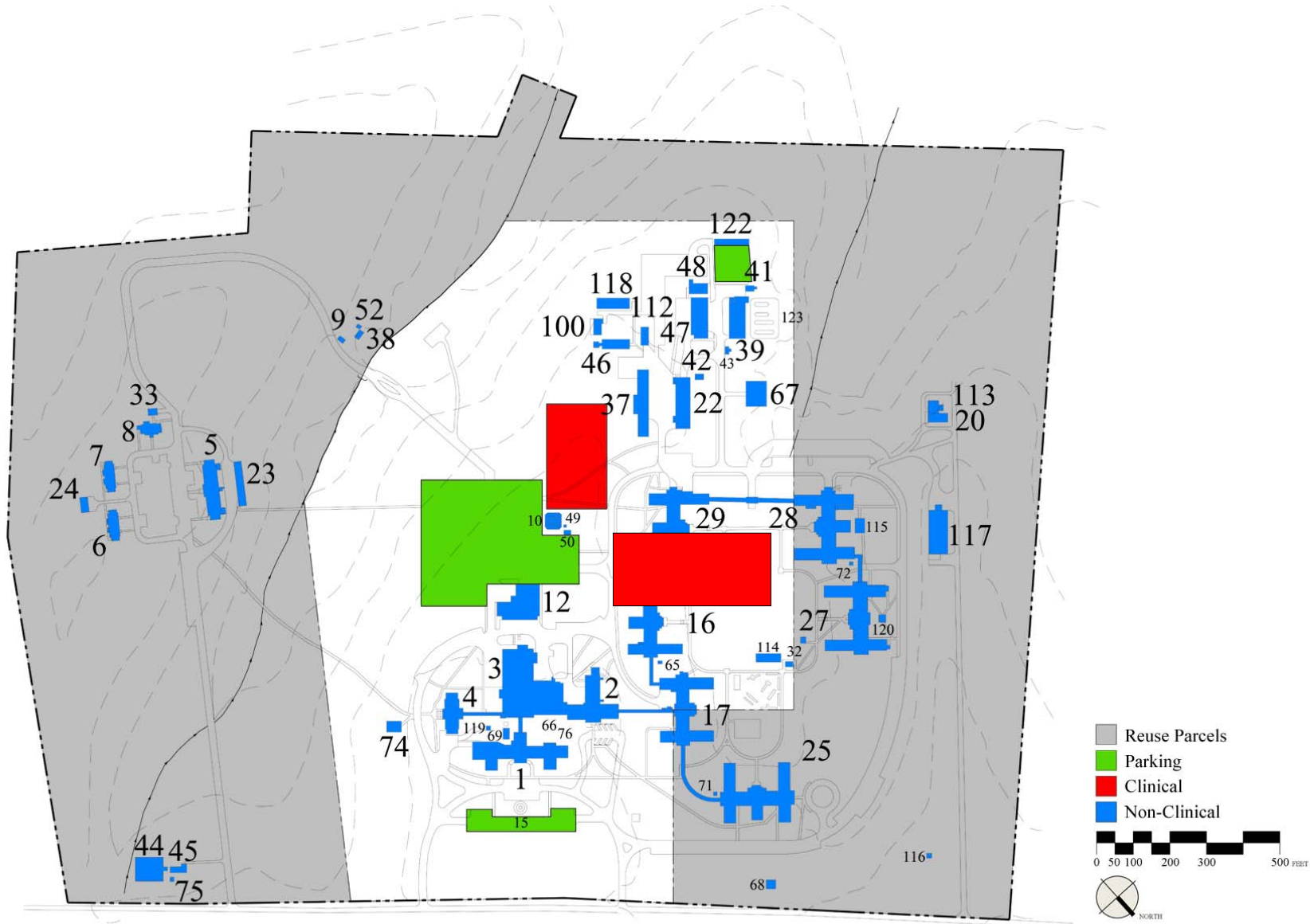
Conceptual site plan for illustrative purposes only.



## **Option 6: Construct Appropriately Sized New Clinical Care Buildings on Central Portion of Campus**

- New construction in the central portion of the campus appropriately sized to accommodate increasing outpatient workload and consolidation of fragmented outpatient functions and to provide safe, modern, and secure facilities for behavioral health, residential care and nursing home workload.
- Administrative, logistics and support functions would be consolidated in remaining existing buildings.
- New surface parking in proximity to these buildings would be constructed to accommodate the increased number of patients.
- Buildings 12, 16, 17, 25, 27, 28, and 29 would be demolished as well as potentially other structures to accommodate new construction and parking.
- Other outlying logistics buildings may also be demolished to the extent that remaining existing buildings can accommodate logistics and support functions near the core of the revised campus.
- Remaining acreage identified as Parcel 3 will be available for reuse.

# Option 6 (with Re-use Parcel 3)



Conceptual site plan for illustrative purposes only.

# Re-Use/Redevelopment of Lexington campus

## Potential Re-use Considerations:

- Enhance the VA mission or complement services to veterans
- Compatibility with local governance & community support
- Environmental and site considerations
- Infrastructure (i.e., power, sewer)
- Local market trends

# Potential Re-Use/Redevelopment

## Potential Re-Use Opportunities for All Options:

- Light industrial
- Distribution
- Residential
- Potential institutional (education, healthcare, retirement)

Preference is for long-term lease v. sale of land

Proceeds to directly benefit VA

Process to reach possible re-use decisions will include opportunity for additional public comment.

# Stage II Evaluation Criteria

<b>Evaluation Criteria</b>	
<b>Capital Planning</b> <ul style="list-style-type: none"><li>• Timeliness of completion</li><li>• Timeliness of urgent corrections</li><li>• Consolidation of underutilized space</li><li>• Consolidation of vacant space</li></ul>	<b>Use of VA Resources</b> <ul style="list-style-type: none"><li>• Total operating costs</li><li>• Total capital investment costs</li><li>• Net present cost</li><li>• Total considerations</li><li>• Total annual savings</li></ul>
<b>Re-Use</b> <ul style="list-style-type: none"><li>• Market potential for re-use</li><li>• Financial (return on assets)</li><li>• VA mission enhancement</li><li>• Execution risk</li></ul>	<b>Ease of Implementation</b> <ul style="list-style-type: none"><li>• Academic affiliations / education</li><li>• HR / Staffing</li><li>• Re-use considerations</li><li>• Capital planning considerations</li></ul>
<b>Quality</b> <ul style="list-style-type: none"><li>• Current quality levels are maintained across all options</li></ul>	<b>Ability to Support VA Programs</b> <ul style="list-style-type: none"><li>• DoD Sharing</li><li>• One VA Integration</li><li>• Specialized VA programs</li><li>• Enhancement of services to veterans</li></ul>

## Input Needed from LAP and Public for Stage II

What is important to you in the Contractor's consideration of these options in Stage II analyses?

- Topics to consider:
  - Adequate facilities (modern facility meeting healthcare demands)
  - Timeliness (length of time to complete Option)
  - Availability of care (construction disruptions)
  - Use of facilities (good use of existing land/facilities)
  - Campus environment (disrupt historic quality/natural setting)

## Next Steps

- Input about the options will be collected for **14 days** following the LAP meeting – through October 4<sup>th</sup>
- The Consultant will compare options and evaluate relative strengths and weaknesses of each option. An implementation plan will be developed for each option.
- The Consultant will present findings and recommendations at the 4<sup>th</sup> LAP meeting

# How Can You Provide Input?

## Local Advisory Panel Meeting

- Provide testimony at the meeting
- Fill out a comment form at the meeting

## CARES Project Website

[www.va.gov/CARES](http://www.va.gov/CARES)

- An **electronic comments form** is available to share your views and opinions on the options presented – specify ‘Lexington site’ as prompted
- Website provides public meeting information, agendas, meeting summaries, and links to background documents

## CARES Central Mailstop

Lexington Study

VA CARES Studies

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