

# FEDERAL REAL PROPERTY ASSOCIATION

## Event Summary: Department of Veterans Affairs Real Property Utilization and Disposition Panel Discussion

July 18, 2017 – Holland & Knight, Washington, D.C.

The Federal Real Property Association (FRPA) held a panel discussion on Real Property Utilization and Disposition Strategies for the Department of Veterans Affairs on July 18, 2017 at 8:30 a.m. at the Holland & Knight office in Washington, D.C. Panelists included Darren J. Blue (Associate Executive Director for the Office of Real Property within the VA) and Jim Sullivan (Director of the Office of Asset Enterprise Management (OAEM) within the VA). The event was moderated by Genevieve Hanson (Vice President, Real Estate Services at Federal Concourse Group).

The event began with a presentation from Mr. Sullivan on the state of the VA's real property portfolio. Mr. Sullivan noted that the VA has a maintenance funding backlog of approximately \$5 billion per year but the agency only receives \$2 billion per year in maintenance funding. Ms. Hanson asked the panelists to several questions related to asset disposition, leasing, and alternative financing. A summary of their responses is below.

### Disposition

The VA's current real property focus is on disposition and aligning assets with areas where veteran's need services. Most of the VA disposition candidates are low value properties that cannot be easily sold or transferred to other entities. Therefore, demolition is the primary method of asset disposition. There are some possibilities for short-term out leases but these are not common. Approximately 70% of the real property portfolio is designated as historic which creates additional considerations for the disposition process.

### Leasing Process

Mr. Blue noted that the VA is exploring ways to increase the speed to market for new leases. He added that the VA is the only agency that needs to have its leases authorized by statute.

### Creative Financing

Mr. Blue noted that the VA has some limited partnerships with the Department of Defense (DoD), but these are not common. There is currently proposed legislation to remove the firewall between the VA and DoD to increase efficiency. The [CHIP IN for Vets Act project](#) in Omaha, NE is a current example of the VA's involvement in alternative financing. Although the project is not exactly a Public-Private Partnership since the money is being donated, the VA can learn valuable lessons regarding alternative financing from the project.

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*The Federal Real Property Association (FRPA) is a 501(c)(3) non-profit community of Federal property asset managers and real estate professional working together to solve today's asset management and workplace challenges. For information on upcoming events and to see the latest of Federal Real Property through papers and news visit [www.frpa.us](http://www.frpa.us).*

## PANELIST BIOS



*Darren J. Blue serves as the Associate Executive Director for the VA Office of Real Property. In this role, he is responsible for improving Veterans access to healthcare and benefits services by leading all VA land and real-property interests, including: the acquisition of land, major leasing actions, property disposal and establishing an infrastructure for private-public partnerships.*



*James M. Sullivan is the Director of the Office of Asset Enterprise Management (OAEM), within VA's Office of Management. Mr. Sullivan assumed this leadership role in January 2009 after serving as the Deputy Director since May 2002. With over thirty years of experience in various aspects of capital budgeting, planning, asset management, and energy management, Mr. Sullivan plays a pivotal role in developing and setting Departmental level capital asset policy.*