



*Thomas
Jefferson*

Planning District Commission

Sustainable solutions to regional issues

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To: TJPD Commissioners
From: Steve Williams
Date: May 27, 2009
Reference: Lease Status for 401 E. Water Street

Purpose: The lease for the agency office at 401 East Water Street, Charlottesville will expire on August 31, 2010.

Background: A lease for the agency office was entered into as of September 1, 2005. The original lease term was three years. Under the terms of the lease, the landlord is responsible for all utilities as well as for building maintenance. The agency paid approximately \$20,000 for fit-up of the space in 2005. The original lease included tenant option for two one year extensions. Each extension included a 3% increase in the annual lease cost. The second of the one year options has been exercised. During FY09 the agency has paid \$4,917.27 per month. During FY10 the cost will be \$5,064.79 per month.

Issues: Three alternatives would seem to be available to provide office space for the agency following the completion of the current lease:

1. Negotiate a new lease with the current landlords
2. Secure a different leased space and relocate the agency
3. Purchase an office location

Real estate negotiations can take considerable time. Moving, should it be necessary, can also be very time consuming. As a result, I believe that it is appropriate for the agency to begin investigating options at this point. Given the importance of this decision for the agency I would request direction from the Commission on the involvement that is appropriate in this process.