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**To:** TJPD Commissioners  
**From:** Steve Williams, Executive Director  
**Date:** January 28, 2010  
**Re:** Proposed terms for lease renewal at 401 E. Water Street

**Purpose:** This item examines possible terms to present to the landlord for an extension of the lease for 401 E. Water Street. TJPDC is in the 2<sup>nd</sup> option year of the current lease, which was structured as a three-year lease with two option years. The lease ends in September 2010.

**Background:** The Commission discussed rental options at the September 10, 2009 meeting. The Commissioners directed staff to meet with the landlord to discuss alternatives and to report back to the Commission at a future meeting. The Commission also suggested acquiring the adjacent space of approximately 1,300 square feet, which has been vacant for several years.

**Issues:** The rental rate on our current space is favorable compared to lease rates on comparable office space. There are some minor problems with the space, most significantly the size and environmental controls of the large conference room. The adjacent space has its own exterior entrance and could be useful as conference and training space. Staff met with the landlord's representative and has drafted proposed terms for renewal of the lease.

**Recommendations:** The staff proposes the following terms:  
Extend current lease for five years with a five-year renewal option for the current space and the adjacent space. As part of the extension, request the following work to enhance the use of our current space:

- Add glass dividers, associated baseboard and frame, and blinds in two locations to separate the three offices along the outside wall abutting 4<sup>th</sup> Street, to match similar partitions in the space.
- Add a door at the entry to the hallway accessing the three offices and telephone/electrical room to the right of the foyer entering off Water Street. The door should match other doors, with a glass transom above to the ceiling. This would also entail splitting the bank of four switches to have the two controlling the hallway lights on the outside of the door and the other two on the inside of the door.
- Add a door at the entrance to Conference Room 1. Due to environmental control issues in that meeting room, this would also require an increase in the air changes per hour for that room.
- Close off the openings in the glass partition around the copy room to minimize noise.

Expansion to include the area at the east end of the building:

- Remove demising partitions, wall finishes at exterior walls, ceiling, and lighting.
- Refinish walls and install new ceiling, dual lighting system and HVAC. Provide wiring for a ceiling mounted projector, and a floor-mounted outlet and AV connection for a podium. Finish one wall with a tackable surface and provide a built-in operable screen and a white board. Provide a track-mounted room divider.
- Provide a partition to screen the exterior entrance from the meeting space and construct a new ramp.
- Add a door between the large space and the restrooms for sound. This will need to be a 32" clear passageway to meet accessibility guidelines.
- Create a kitchenette area and storage area for chairs.

Maintain the current lease rate on the original space, including the 3% annual escalation. Rent for the expanded space will be equal to the cost of the improvements divided by 60 months.

A marked-up floor plan showing the improvements is attached. We expect the refurbishments to be built to suit.

**Action Needed:** Discussion of the proposed terms and authorization for the Executive Director to negotiate the lease extension with the landlord.

**Effective Date:** The new lease would start in September 2010. Construction work for the additional space would need to commence prior to that date, to be available at the start of the new lease.