



1201 F Street, NW  
5<sup>th</sup> Floor  
Washington, DC 20004

Please see below for the key transaction terms for the City of Alexandria's prospective lease at 4850 Mark Center Dr to accommodate the co-location of the Department of Community and Human Services, Virginia Health Department and Neighborhood Health. Please note that we are finalizing the remaining details of the Letter of Intent, which would form the basis for a lease agreement.

- **Size:** ~230,000 SF
- **Commencement:** Q3 2022 – Q1 2023
  - IDA must vacate 36 months from LOI execution
  - IDA must deliver space 45-48 months from LOI execution
- **Lease Term:** 15 years, 6 months
- **Base Rent:** \$30.67 / SF (full service) escalated at 2.5% per year (*assuming 230,000 SF leased*)
  - **Initial 200,000 SF:** \$31.23/sf
  - **Next 30,000 SF:** \$26.92/sf
  - **Remaining 39,922 Sf:** \$24.23/sf
- **Operating Expenses/Real Estate Taxes:** included in the first year's rent.
  - City pays excess operating expenses and real estate taxes over a Base Year
  - Base Year is the first calendar year the City occupies the Building for at least 6 months
- **Free Rent:** 6 months, which can be converted to TI Allowance
- **Tenant Improvements:** \$90.00/sf\*
- **Renewal Option:** 2 options of 5-years each with 18 months' notice
- **Expansion Option:** Option to increase size up to 15 months prior to Lease Commencement at the same terms
- **Right of First Offer:** ongoing right on any remaining space
- **Purchase Options:**
  - Purchase Option 1: Effective at Lease Commencement Date by giving notice 18 months in advance (*The City is negotiating the price*)
  - Purchase Option 2: Effective at the end of the Lease Term by giving notice 24 months in advance (at Fair Market Value)
- **Parking:** Ratio of 3.0 parking spaces / 1,000 SF leased at no charge
- **Other:**



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- IDA must maintain headquarters in the City of Alexandria for the term of the lease