



DEPARTMENT OF GENERAL SERVICES

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LL Response 4.8.19

Caroline Collins
Associate
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Re: Request for Proposal

The Department of General Services, on behalf of the City of Alexandria, presents this letter of intent (this "LOI") for the lease of certain premises located at 6101 Stevenson Ave, Alexandria, VA (the "Building"). Outlined below are the principal terms and conditions that would serve as the basis for a lease agreement for premises at the Building (the "Lease").

1. **Property:** 6101 Stevenson Avenue, Alexandria, VA 22304
2. **Landlord and Property Management:** Steven A. Hansen, LLC and WWIV Stevenson Avenue, LLC is the Landlord and Matan Companies, LLLP is the Property Manager.
3. **Tenant:** City of Alexandria, a 'AAA' / 'Aaa' rated municipal corporation, acting by and through its Department of General Services.

The department primarily occupying the space will be the Department of Community and Human Services ("DCHS"), which provides social services and public benefits assistance. More information can be found at <https://www.alexandriava.gov/DCHS>.

4. **Premises:** Approximately 15,691 rentable square feet, consisting of approximately 6,314 (5,387 usable) rentable square feet located on the 2nd floor and approximately 9,377 (8,175 usable) rentable square feet located on the 4th floor to be outlined in Exhibit A. The exact Rentable Square feet shall be mutually agreed upon prior to lease execution, including whether the 2nd floor premises shall be considered a "single tenant" floor and whether the 2nd floor common areas are to be included in the building common areas, and consistent with a BOMA 1996 standard of measurement. Tenant shall have a dedicated entrance on the 2nd floor as depicted in Exhibit A.

5. **Use:** The Premises shall be used for any lawful use.
6. **Lease Commencement:** The Lease Commencement date shall be upon substantial completion of the Premises, anticipated to be August 1, 2019. Tenant shall have access to the Premises 30 days in advance for installation of cabling and FF&E.
7. **Lease Term:** Through February 28, 2023
8. **Base Rental Rate:** The Base Rental Rate on a Full Service basis payable in monthly installments shall be \$27.00 per rentable square foot.

Beginning on the first (1st) anniversary of the Lease Commencement Date and each anniversary thereafter, the Base Rental Rate shall escalate by two and fifty percent (2.50%).
9. **Operating Expenses and Real Estate Taxes:** Beginning on the first anniversary of the Lease Commencement, on a calendar year basis, Tenant shall be responsible for paying: (i) its pro rata share of increases in Operating Expenses incurred in the operation of the Project; and (ii) its pro rata share of increases in Real Estate Taxes levied against the Project. The Tenant's base year shall be calendar year 2019. If the Building is not fully occupied during any year, including the base year, operating expenses shall be grossed up based upon 95% occupancy.
10. **Rental Abatement:** Landlord shall abate the first three (3) months of Base Rent
11. **Tenant Improvement Allowance:** Landlord will provide Tenant with a tenant improvement allowance equal to Thirty 00/100 Dollars (\$30.00) per rentable square foot of the Premises (the "Tenant Improvement Allowance"), which Tenant Improvement Allowance shall be used to pay for hard and soft costs to improve the Premises, including architectural and engineering fees, construction documentation costs, and Landlord's project management fee of three percent (3%) of hard costs. Tenant will require Landlord to provide architectural, engineering, permitting, and construction services to complete the build-out of the Premises. Landlord will engage, on Tenant's behalf, a pre-approved architectural firm to complete the design process. Tenant shall be responsible for any costs in excess of the Tenant Improvement Allowance. Landlord, at its sole cost and expense, shall construct an ADA accessible curb cut at the 2nd floor entrance dedicated to Tenant and replace any window blinds that are not in good operable condition within the Premises.
12. **Architectural Test Fit:** Landlord agrees to enter into a contract with Tenant's architect to perform a test fit under a separate agreement.

13. **Holdover:** Tenant shall have the option to extend on a month-to-month basis for an additional 4 months at 125% of the then escalated Base Rental Rate.
14. **Assignment & Subletting:** Tenant shall have the right to assign the Lease or sublease the Premises to non-related third parties with Landlord's prior written consent and subject to credit worthiness.
15. **ADA:** Landlord shall be responsible for maintaining all common areas of the Building in compliance with applicable ADA requirements. If it is determined that currently any aspects of the common areas do not meet ADA compliance, Landlord will be responsible for correcting such issues at its sole cost and expense.
16. **Building Security and Access:** Tenant requires access to the space 24 hours per day, 7 days per week. Building is equipped with 24-hour electronic card key access on building perimeter points of access.
17. **Building Hours:**
Monday – Friday, 8 am – 6 pm
Saturday, 8 am – 1pm (by request only)
Federal Holidays excluded

After-hours HVAC service is provided at the then-current costs. The current after-hours rate for HVAC service is Fifty and 00/100 Dollars (\$50.00) per hour per floor.
18. **Janitorial:** Landlord shall provide standard commercial cleaning, trash removal, vacuuming, and general housekeeping of restrooms after hours Monday – Friday. Tenant shall provide access to leased premises after business hours.
19. **Parking:** Tenant shall have access to 50 total parking permits, including 10 reserved spaces for visitors, 3 reserved spaces for City vans, and 1 additional reserved surface parking space for a large City van. Please note, additional convenient street parking is available adjacent to the building. Landlord shall work with Tenant to allocate as much of Tenant's parking in close proximity to the 2nd floor entrance as feasible.
20. **Signage:** At Landlord's expense for the initial listings and at Tenant's expense for changes thereto, Tenant shall be provided its pro rata share of listings in the digital Building directories. Landlord, at its expense, shall provide one Building standard suite sign per suite. Tenant shall install exterior signage outside the 2nd floor entrance at Tenant's sole cost and expense and with prior consent on size and design. Tenant shall be responsible for signage removal the end of the Lease term.
21. **Security Deposit:** None, based on AAA/Aaa credit rating of the City of Alexandria.

22. **Appropriation of Funds:** Landlord acknowledges that Tenant's governmental policy requires that all obligations under the Lease be fully subject to the yearly appropriation of funds by the City of Alexandria for Tenant's budget.
23. **Brokerage:** Savills, Inc. is recognized as the exclusive broker representing Tenant in this proposed transaction. Landlord shall pay Savills, Inc. a brokerage commission in accordance with the terms and conditions of a separate written agreement with Savills, Inc.

The parties involved in this request agree to use the material related to this project solely for purposes of evaluating the transaction and that such material will be to the extent permitted by law kept strictly confidential by you, your officers, employees, agents, and professional advisors (collectively, your "Representatives") who must have access to the material in order to provide the material requested for this transaction.

This request for proposal is merely an expression of some of the basic terms that might be incorporated into a non-binding Letter of Intent agreement between Landlord and Tenant for the Premises. This letter is not a lease, offer, contract, option, or commitment and creates no legal rights or obligations of any nature whatsoever.

AGREED AND ACCEPTED

Landlord

By: _____

Its: _____

Mark C. Malan
MANAGER
4/8/19

City of Alexandria

By: _____

Its: Mark B. Jinks, City Manager

Exhibit A