



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 5, 2021

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of an Amendment of the Lease Between the City and Seminary Road Owner, LLC for Rooftop Space at 4900 Seminary Road for a Public Safety Radio Antenna Site.

ISSUE: Consideration of an amendment to extend the lease for rooftop space at 4900 Seminary Road public safety radio antenna site.

RECOMMENDATION: That City Council:

- (1) Receive this report and set the Tenth Amendment to the public safety radio antenna site lease for public hearing on May 15, 2021 and after the public hearing approve this proposed five-year lease amendment with two-five-year renewal options; and
- (2) Authorize the City Manager to execute the proposed Tenth Amendment to the lease with Seminary Road Owner, LLC.

BACKGROUND: Since the first lease between the City and previous owners of the building at 4900 Seminary Road, Mark Center Plaza I-A Limited Partnership, was executed in 1988, the City and the subsequent owners of the 4900 Seminary Road office building have maintained a partnership that has kept the citizens of Alexandria safe for over 33 years through the successful maintenance of one of the City's public safety radio antenna sites located on the penthouse level and roof of this building. This public safety radio antenna site is one of four City antenna sites that support the City's Emergency 911 operations which is administered by the Department of Emergency and Customer Communications (DECC). This public safety communications system supports in-vehicle and handheld radios for policing, fire, EMS, public works, ACPS and other City functions. The current Seminary Road lease with the previous owners of the building expired August 31, 2020. The City of Alexandria needs to continue to maintain this public safety radio antenna site by entering into a lease agreement with the new owner, Seminary Road Owner, LLC for the same existing space of approximately 300

square feet on the penthouse level and rooftop of the building at 4900 Seminary Road.

DISCUSSION: The proposed Tenth Amendment of the lease executes an initial term of five years with two-five-year renewal options within fair market rate ranges of similar sites located within the City of Alexandria limits. The new lease rate is \$28,800 per year which is significantly higher than the \$9,144 per year that the City has been paying under the expired lease. The over 200 percent increase in the rate is attributable to a switch by the building's new owners from a very low nominal community-benefiting goodwill rate to a rate that is much higher but still community-benefiting and closer to the market value of about \$40,000 per year. With the growth of 5G networks, rooftop space for antennae is becoming more expensive. Negotiations seeking a lower rate than market were successful. This \$28,800 annual lease rate is on the lower end of the \$24,000 to \$40,300 range that the City pays for its other three antenna sites.

City staff looked at other rooftop antenna options in the vicinity of the 4900 Seminary Road site and did not identify any other site that could meet the radio wave propagation and coverage needs of the City. The taller Mark Center Hilton was not feasible as a large number of antennas are already on the roof of that building and likely radio wave interference make it unsuitable for the City's antenna site. The IDA building is unsuitable as needed radio propagation would be substantially blocked by the taller neighboring Department of Defense office building. The City's continued use of this site through a lease agreement with the owners of 4900 Seminary Road, Seminary Road Owner, LLC will allow the City's Emergency 911 system to continue to provide the radio system coverage required to keep residents and employees of Alexandria safe without interruption.

The proposed Tenth Amendment of the lease will also provide new terms reflecting new ownership notices, base rent increases subject to fair market rate and sub-metered electricity usage at 4900 Seminary Road. In addition, the proposed Tenth Amendment will also provide the City the right to review proposed rent increases by the owner one-hundred eighty (180) days prior to lease expiration to ensure timely budgetary and lease review.

FISCAL IMPACT: The lease rate for the penthouse level and rooftop space which support the Emergency 911 public safety radio antenna site at 4900 Seminary Road will be \$2,400 per month, or \$28,800 per year with escalations of 3 percent per year. This new rate reflects an increase of over 200 percent when compared to the annual rate that the City has been paying under the expired lease, but remains at a below market community-benefiting goodwill rate.

ATTACHMENT: Tenth Amendment to Lease

STAFF:

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