NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

M E M O R A N D U M

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: Office Lease Renewal

DATE: October 3, 2019

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1. **Purpose:** To seek Northern Virginia Transportation Authority (NVTA) approval of an office lease renewal with the Northern Virginia Regional Commission (NVRC). The NVTA Finance Committee reviewed the proposed lease and unanimously recommended Authority approval at their September 19, 2019 meeting. As part of their recommendation and for purposes of transparency, Finance Committee members; Mayor Rishell, Chairman Bulova and NVTA Chair Nohe noted for the record that they also serve as Commissioners on NVRC.

2. **Suggested Motion:** *I move Authority approval of the attached office lease renewal with NVRC.*

3. **Background:**
   a) NVTA entered an office lease with NVRC in March 2015, with the effective start of the lease postdated to October 6, 2014.
   b) The five year period of the current lease expires on October 31, 2019.
   c) In preparation for the lease renewal discussions, NVTA staff presented a lease analysis to the Finance Committee at the September 2018 meeting. That analysis concluded the current lease and escalation clauses were consistent with the surrounding commercial market.
   d) The proposed lease renewal includes changes in future renewal option periods, clearer delineation of shared and non-shared spaces and common area costs, consistent with Finance Committee guidance.
   e) The proposed lease renewal has two base years and three approximately one year renewal options making the maximum term August 5, 2025. The years referenced in the lease do not directly coincide with calendar years or fiscal years.
   f) Exhibit 4.3 on the attached lease amendment shows the annual lease costs of $169,000 for the year starting October 6, 2019 with increases to $191,000 for the final (2025) term of the lease.

Attachment: NVRC Lease Amendment Dated September 4, 2019