DATE: February 17, 2006

SUBJECT: Approval of the Deed of Lease, between The County Board of Arlington County, Virginia and Arlington Federal Credit Union on the County’s real property located at 1435 North Courthouse Road, Suite 11, Arlington, VA (RPC #17015006).

C. M. RECOMMENDATIONS:

1. **Approve** the Deed of Lease, between The County Board of Arlington County, Virginia and Arlington Federal Credit Union on the County's real property located at 1435 North Courthouse Road, Suite 11, Arlington, VA (RPC #17015006).

2. **Authorize** the Real Estate Bureau Chief, or his designee, to execute on behalf of the County Board, the Lease and all related documents subject to approval as to form by the County Attorney.

ISSUE: None.

SUMMARY: Following County Board approval and proper execution of the Deed of Lease “Lease”, the Arlington Federal Credit Union may occupy its leased premises on the plaza level of the Judicial Center.

BACKGROUND: Staff finalized the negotiation of the Lease for Arlington Federal Credit Union.

DISCUSSION: The attached Lease has been structured to provide a commercially viable agreement to protect the County’s rights and needs as a local government so the Arlington Federal Credit Union may occupy the space available on the plaza level of the Judicial Center. The agreement includes approximately 600 square feet of retail space on the first floor of the building "Premises." After the Premises is ready for occupancy, Arlington Federal Credit Union will surrender its office space located on the 5th-floor of Court House Plaza, 2100 Clarendon Boulevard. Some of the pertinent provisions of the Lease are as follows:

- The term commences on April 1, 2006.

Staff: Linda DePersis, DES, Real Estate Bureau
Arlington Federal Credit Union shall lease Suite 11, consisting of 600 square feet "Leased Premises".

Base Rent for the first lease year is $1,600 per month.

Base Rent for the second lease year is $1,650 per month.

Base Rent for the third lease year is $1,700 per month.

Arlington Federal Credit Union handles and absorbs all costs associated with maintenance for the Leased Premises.

Arlington Federal Credit Union pays all utility costs for the Leased Premises.

The Lease expires on March 31, 2009.

Arlington Federal Credit Union has the right to extend for 1 additional term of 3 years. Base rent shall increase by 3% per annum during the extended term.

**FISCAL IMPACT:** If the attached Deed of Lease is approved and executed on behalf of the County, then the County shall collect $59,400 as revenue during the initial 3-year term of the Lease. This revenue is currently included in the FY 2006 budget and will be included in future budgets. Lease rental revenue for all County based facilities is budgeted in the general fund and this new lease does not materially impact the budgeted revenue for FY2006 and proposed FY2007.
Approval of the First Amendment to
Deed of Lease for the Library at
Shirlington Village, Arlington, VA