



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of September 17, 2011**

DATE: August 23, 2011

SUBJECT: Approval of a Third Amendment to Agreement of Lease Between JBG/Falls Church CC, L.L.C. and the County Board of Arlington County, Virginia, at 6400 Arlington Boulevard, Falls Church, Virginia (Fairfax County Parcel ID #s 0513-01-0001B and 0513-01-0001E; City of Falls Church RPC #53-217-001).

C. M. RECOMMENDATIONS:

1. Approve the attached Third Amendment to Agreement of Lease Between JBG/Falls Church CC, L.L.C. and the County Board of Arlington County, Virginia, at 6400 Arlington Boulevard, Falls Church, Virginia; and
2. Authorize the Real Estate Bureau Chief to execute, on behalf of the County Board, the Third Amendment and all related documents, subject to approval as to form by the County Attorney.

ISSUES: This is a request to approve an amendment to a current lease, which amendment would extend the term of the lease for five years. No issues have been identified.

SUMMARY: The County currently leases 452 square feet of equipment space in the building located at 6400 Arlington Boulevard, Falls Church, Virginia, as well as the use of portions of the building's roof for emergency communications equipment. The current term of the lease will expire on April 14, 2012. The County and the Landlord entered into the original Agreement of Lease in 1992, for a ten year term expiring in 2002. The original Agreement of Lease gives the County the option to extend the term of the lease for eight successive five year terms, each option being contingent upon the parties agreeing upon the rental rate for that extension option. In 2002, the County exercised the first option to extend the term from 2002 to 2007. In 2007, the County exercised the second option to extend the term of the lease from 2007 to 2012. By this Third Amendment, attached as Attachment 1, the County will memorialize the County's exercise of the third option to extend the term of the lease, from April 15, 2012 through April 14, 2017, as well as provide the County with access to the building's emergency backup generator.

County Manager:

County Attorney:

23.

Staff: Michael Halewski – DES, Real Estate Bureau

BACKGROUND: The County Board entered into an Agreement of Lease, dated February 6, 1992, to lease the Demised Premises, located at 6400 Arlington Boulevard, Falls Church, Virginia. The lease also provides space on the roof of the building for the County's emergency communications equipment. The location is more particularly shown on the vicinity maps attached as Attachments 2, 3 and 4. In 2002, the County exercised its first option to extend the term of the lease from April 15, 2002, through April 14, 2007. In 2007, the County exercised its second option to extend the term of the lease from April 15, 2007 through April 14, 2012.

DISCUSSION: Staff finalized negotiations with the landlord regarding the subject Third Amendment. Some of the pertinent provisions are as follows:

- The term of the Lease is extended until April 14, 2017.
- Current annual base rent (through April 14, 2012) is \$15,411.80; annual base rent during the first year of the Third Amendment shall be \$16,028.28.
- Annual base rent will continue to escalate at 4% per year.
- The landlord grants the County permission to access the building's emergency backup generator to power the County equipment specified in Exhibit F of the Third Amendment.
- The County shall pay \$500 per year for its pro rata share of the annual maintenance costs of the building's emergency backup generator.
- There is no other additional rent payable pursuant to the Third Amendment.

FISCAL IMPACT: The total fiscal impact for Fiscal Year 2012 (which includes the first 3.5 months of the extended term memorialized in this Third Amendment) will be \$16,092, which is included in the Office of Emergency Management's FY 2012 approved budget.

THIRD AMENDMENT TO AGREEMENT OF LEASE

THIS THIRD AMENDMENT TO AGREEMENT OF LEASE ("Third Amendment") made this ____ day of _____ 2011, by and between **JBG/FALLS CHURCH CC, L.L.C.**, a Delaware limited liability company (hereinafter called "Lessor") (as successor in interest to Transwestern Falls Church, L.L.C., a Delaware limited liability company ("TFC")), and **THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA**, a body corporate (hereinafter called "Lessee", and jointly with Lessor, hereinafter called the "Parties").

RECITALS

WHEREAS, Lessor is the owner of that certain land, buildings, and improvements, located at 6400 Arlington Boulevard, Arlington, Virginia, Fairfax County Parcel ID 0513 01 0001B (jointly, the "Property");

WHEREAS, Lessee entered into that certain Agreement of Lease, dated February 6, 1992 (the "Original Lease"), by and between First Virginia Banks, Inc., a Virginia corporation ("Original Lessor") and Lessee, for 432 rentable square feet of space on the ninth (9th) floor and portions of the roof of the Property ("Original Demised Premises"). The Original Lease was amended by that certain First Amendment to Agreement to Lease, dated May 1, 2002 (the "First Amendment"), and by that certain Second Amendment to Agreement of, dated March 14, 2007 (the "Second Amendment", and jointly with the Original Lease and the First Amendment, the "Amended Lease"), by and between TFC and Lessee;

WHEREAS, by means of the First Amendment, the Original Demised Premises was increased from 432 rentable square feet of space on the ninth (9th) floor and portions of the roof of the Property, to 452 rentable square feet on the ninth (9th) floor and portions of the roof of the Property (as so increased, the "Demised Premises"), and the term of the Original Lease was extended for a five-year term, from April 15, 2002 to April 14, 2007 (the "First Successive Renewal Term");

WHEREAS, by means of the Second Amendment, the term of the Original Lease, as amended by the First Amendment, was extended for a five-year term, from April 15, 2007 to April 14, 2012 (the "Second Successive Renewal Term");

WHEREAS, by letter dated December 22, 2010, Lessee provided notice to TFC, pursuant to subparagraph 2.c. of the Amended Lease, of Lessee's election to exercise its option to renew the Lease for a five-year term, commencing on April 15, 2012 and expiring on April 14, 2017 (the "Third Successive Renewal Term");

WHEREAS, by special warranty deed from TFC to Lessor, dated July 7, 2011, and recorded among the land records of the Circuit Court of Arlington County, Virginia, in Deed Book 4471 at Page 352, all of the right, title and interest of TFC in the Property was transferred to Lessor, and all of the right, title and interest of TFC in the Amended Lease was assigned to Lessor;

WHEREAS, by this Third Amendment, the Parties desire to reaffirm the existence and binding effect of the Amended Lease, and to amend certain terms and conditions thereof;

WHEREAS, the Parties hereby affirm the Lessee's right to renew the Amended Lease for the Third Successive Renewal Term as aforesaid;

WHEREAS, in consideration of this Third Amendment, the Parties hereby agree that a mutually satisfactory rental rate for the Third Successive Renewal Term has been timely agreed to, in writing, between the Parties; and

WHEREAS, the Amended Lease, as amended by this Third Amendment, is hereinafter referred to as the "Lease, as Amended".

NOW THEREFORE, for and in consideration of the amount of One Dollar (\$1.00) cash in hand paid, the covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Effective as of April 15, 2012, subparagraph 2.a. of the Amended Lease is hereby deleted in its entirety and a new Paragraph 2.a. is hereby adopted to read, in its entirety, as follows:

“a. The term of the Lease shall commence on April 15, 2012 and shall expire on April 14, 2017 (“Term”).”

2. Effective as of April 15, 2012, Paragraph 3 of the Amended Lease is hereby deleted in its entirety and a new Paragraph 3 is hereby adopted to read, in its entirety, as follows:

“3. Base Rental:

a. During the Term, Lessee shall pay to Lessor Base Rent for the Demised Premises in accordance with the following schedule, in equal monthly installments, as provided in below, without deduction or demand, by the fifteenth (15th) calendar day of each month.

Period	Rent per Sq. Ft. per Annum	Monthly Base Rent	Annual Base Rent
4/15/12 - 4/14/13	\$35.46	\$1,335.69	\$16,028.28
4/15/13 - 4/14/14	\$36.88	\$1,389.12	\$16,669.44
4/15/14 - 4/14/15	\$38.35	\$1,444.68	\$17,336.16
4/15/15 - 4/14/16	\$39.89	\$1,502.47	\$18,029.64
4/15/16 - 4/14/17	\$41.48	\$1,562.57	\$18,750.84

3. As of the Effective Date of this Third Amendment, Paragraph 3.d. of the Amended Lease is hereby deleted in its entirety and a new Paragraph 3.d. is hereby adopted to read, in its entirety, as follows:

“d. Payments shall be made by check, payable to JBG/Falls Church CC, L.L.C., and delivered to the following address: JBG/Commercial Management, L.L.C., 4445

Willard Avenue, Suite 400, Chevy Chase, Maryland 20815, or to Lessor at such other place as Lessor may from time to time designate, in writing.”

4. As of the Effective Date of this Third Amendment, Paragraph 20 of the Amended Lease is hereby amended, in pertinent part, to change Lessee’s and Lessor’s notification addresses to read as follows:

- “If to Lessee, to: The County Board of Arlington County, Virginia
2100 Clarendon Boulevard, Suite 300
Arlington, Virginia 22201
Attn: County Manager

- With a required copy to: Arlington County, Virginia
Department of Environmental Services
Real Estate Bureau
2100 Clarendon Boulevard, Suite 800
Arlington, Virginia 22201
Attn: Real Estate Bureau Chief

- With a required copy to: Arlington County, Virginia
Public Safety Communications Center
1425 N. Courthouse Road
Arlington, Virginia 22201

- If to Lessor, to: JBG/Commercial Management, L.L.C.
4445 Willard Avenue
Suite 400
Chevy Chase, Maryland 20815
Attention: Executive Vice President – Commercial Asset
Management

- With a required copy to: Greenstein DeLorme & Luchs, P.C.
1620 L Street, N.W.
Suite 900
Washington, D.C. 20036
Attention: Abraham J. Greenstein, Esq.”

5. As of the Effective Date of this Third Amendment, a new Paragraph 32 is hereby adopted, to read, in its entirety, as follows:

“32. Emergency Power Supply:

a. At all times during the term of the Lease, Lessor shall provide Lessee with an emergency back-up power supply of up to 400 amps and 75 kilowatts of electricity to power the Lessee’s equipment listed in the attached Exhibit F (collectively, the “Emergency Equipment”).

b. Lessor hereby authorizes and permits Lessee, at Lessee’s sole cost and

expense, to install, or cause to be installed, in a good and workmanlike manner, and in accordance with all applicable laws, ordinances, rules, and regulations, all equipment necessary for the Lessee to connect Lessee's Emergency Equipment to the Building's generator. This Paragraph 32 constitutes Lessor's consent to allow Lessee to connect the Emergency Equipment to the Building's generator, provided that Lessee obtains Lessor's approval of plans, and Lessee obtains all required permits, all as provided in Paragraph 8.d. of the Original Lease. Lessee shall contract with the contractor employed by Lessor to service the Building's generator (which contractor, as of the date of this Third Amendment, is Truland Services). Lessor requires Lessee to so contract with Lessor's generator contractor because: 1) the Lessor's generator contractor has working familiarity with, and is most knowledgeable about, the Building's generator and electrical system; 2) the use of such contractor ensures the required uniformity in work performed on the Building's generator and electrical system; and 3) the use of such contractor avoids potential liability conflicts concerning, e.g., power outages, damage, or injury, which could arise from multiple contractors working on this critical building and communication system. Lessor shall provide Lessee with at least five (5) days prior written notice of any change in the contractor employed by Lessor to service the Building's generator. Notwithstanding any provision of Paragraph 8.d. of the Original Lease to the contrary, upon the expiration or sooner termination of the Lease or Lessee's right to possession of the Premises, and further upon ten (10) days prior written notice from Lessor to Lessee, Lessee shall, at Lessee's sole cost and expense, disconnect and remove Lessee's equipment installed pursuant to this Paragraph 32.

c. Lessor shall, at all times, ensure that the Building emergency back-up power supply is accessible by the Lessee, functional, is in good operating condition, and properly maintained.

d. In addition to all other sums payable by the Lessee to the Lessor pursuant to this Lease, the Lessee shall pay to the Lessor, beginning on the first day of the next succeeding month after Lessee's has connected its Emergency Equipment to the Building emergency back-up power supply, the sum of Five Hundred Dollars (\$500) per year during the term of the Lease for the ongoing access to, and maintenance by the Lessor of, the Building emergency back-up power supply."

6. Brokers. Lessee represents and warrants that it did not retain any broker, agent or real estate salesperson with respect to carrying out negotiations or any other dealings related to this Third Amendment. Lessor represents and warrants that it retained Transwestern Commercial Services as its broker ("Broker"). Lessor, and not Lessee, shall compensate Broker according to a separate agreement. Lessor shall hold Lessee harmless from any claims arising out of Lessor's agreement with Broker. Additionally, Lessor agrees to pay all commissions and costs to any and all other brokers or agents entitled to any commission or compensation in connection with this Third Amendment pursuant to the terms of separate agreements, and Lessor shall hold Lessee harmless therefrom.

7. Limitation of Lessor's Liability. The obligations of Lessor under the Lease, as Amended, do not constitute personal obligations of the individual partners, members, directors, officers, shareholders, trustees or beneficiaries of Lessor, and Lessee shall not seek recourse against the partners, members, directors, officers, shareholders, trustees or beneficiaries of Lessor, or any of their personal assets for satisfaction of any liability with respect to the Lease, as Amended. In

the event of any default by Lessor under the Lease, as Amended, Lessee's sole and exclusive remedies shall be against Lessor's interest in the Property, and any applicable insurance proceeds, condemnation awards, and other funds. The provisions of this paragraph are not designed to relieve Lessor from the performance of any of its obligations under the Lease, as Amended, but rather to limit Lessor's liability in the case of the recovery of a judgment against it, as aforesaid, nor shall any of the provisions of this paragraph be deemed to limit or otherwise affect Lessee's right to obtain injunctive relief or specific performance or availability of any other right or remedy which may be accorded Lessee by law or the Lease, as Amended. In the event of sale or other transfer of Lessor's right, title and interest in the Property, Lessor shall be released from all liability and obligations thereafter accruing under the Lease, as Amended; provided, that this paragraph shall inure to the benefit of any such purchaser or transferee, and further provided that the purchaser or transferee shall be deemed the Lessor hereunder, and further provided that the purchaser or transferee has assumed all of the Lessor's obligations under the this Lease, as Amended.

8. Relationship of Lessor and Lessee and Lessor's Liability. Nothing in this Lease, as Amended, shall be interpreted or construed as creating any partnership, joint venture, agency or any other relationship between the parties, other than that of landlord and tenant.

9. Effect of Third Amendment on Lease: Except as amended hereby, all other terms and conditions of the Amended Lease, remain in full force and effect. If the terms and conditions of this Third Amendment conflict with the terms of the Amended Lease, then the terms and conditions of this Third Amendment shall prevail and be controlling over the terms of the Amended Lease.

10. Binding Effect: The Lease, as Amended, shall inure to the benefit of, and bind, the Parties and their respective successors and permitted assigns.

11. Full Force and Effect: The Parties each represent and warrant to the other that the Amended Lease is in full force and effect and has not been assigned, modified, supplemented or further amended in any way, other than by this Third Amendment.

12. Entire Agreement, Amendment: The Lease, as Amended, contains the entire agreement of the Parties hereto with respect to the subject matter hereof. No representations, inducements, or agreements, oral or otherwise, between the Parties not contained in the Lease, as Amended, shall be of any force and effect. The Lease, as Amended, may not be modified, changed or terminated, in whole or in part, in any manner other than by an agreement in writing signed by duly authorized representatives of the Parties. All terms used herein but not defined herein which are defined in the Amended Lease shall have the same meaning for purposes hereof as they do for purposes of the Amended Lease.

13. Counterparts: This Third Amendment may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

14. Incorporation of Recitals: The foregoing recitals are fully incorporated into the Lease, as Amended, by this reference.

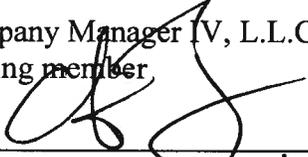
15. Effective Date: This Third Amendment shall be effective upon the date when it is last executed by a party hereto (the “Effective Date”).

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have caused multiple counterparts of this Third Amendment to be signed in their respective names by their respective authorized signatories, effective as of the date first set forth above.

Lessor: **JBG/FALLS CHURCH CC, L.L.C.**, a Delaware limited liability company

By: JBG/Company Manager IV, L.L.C.,
its managing member

By: 
Name: Steve Bonacci
Title: Authorized Signatory

Date: August 18, 2011

Lessee: **THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA**

By: _____

Name: Uri Arkin

Title: Real Estate Bureau Chief

Date: _____

Approved as to form:

County Attorney

EXHIBIT F

Power/Air-Conditioning Load Calculations

Site Name: **BB&T Bank**

Customer Name: **Yerington County**

MSA Version 1.0

Qty on UPS / Inverter	Qty on DC Battery Power	Critical (Step 1) Qty Directly on Generator	Non-Critical (Step 2) Qty on Generator	Model	Manufacturer	Power Load Watts per Unit	AC Load BTU/Hr per Unit	Weight (Lbs)	Dimension HxWxD (Inches)	Rack Units	UPS / Inverter load (Watts)	DC Battery Power Load (Watts)	Critical (Step 1) Generator Load (Watts)	Non-Critical (Step 2) Generator Load (Watts)	HVAC load BTUa/Hour
Base Station/ Repeater Equipment															
4	0	0	0	0	0	800	1700	387	63x2x42.4	48	0	2000	0	0	6800
18	0	0	0	0	0	450	1750	73	8.75x15x16.5	5	0	8100	0	0	32040
0	0	0	0	0	0	520	1500	55	8.75x15x14.2	5	520	0	0	0	1500
5	0	0	0	0	0	500	1700	175	3.7x2.175x10	0	2500	0	0	0	8500
Channel Bank Equipment															
0	1	0	0	0	0	125	427	120	9.25x15x150	6	0	125	0	0	427
0	2	0	0	0	0	125	409	0	Module	0	0	250	0	0	816
Simulcast Equipment															
1	0	0	0	0	0	120	410	21	5.25x15x15	3	120	0	0	0	410
Microwave Equipment															
2	2	0	0	0	0	136	324	240	33.2x17.2x10	19	270	270	0	0	1296
1	1	0	0	0	0	14	60	0	0	18	14	14	0	0	122
Battery															
10	0	13	0	0	0	1400	440	6	1.84x6.43x9.57	1	14000	0	18200	0	10111
UPS															
0	0	1	0	0	0	937	3185	0	20x28x41	0	0	0	937	0	3185
0	0	1	0	0	0	1861	5307	0	20x28x41	0	0	0	1861	0	5307
Air Conditioning Equipment (Do not include Backup AC if it is a fully redundant unit)															
0	0	0	0	0	0	5760	0	592	66x46x22.5	0	0	0	0	0	11520
Trunking Equipment															
1	0	0	0	0	0	300	724	200	10.5x7x7	34	300	0	0	0	724
MOSCAD Alarm Equipment															
0	1	0	0	0	0	230	784	0	0	6	0	230	0	0	784
LAN Network Equipment															
2	0	0	0	0	0	38	123	6	1.7x1.7x4.28x1	1	72	0	0	0	246
1	0	0	0	0	0	120	137	10	1.7x1.7x3x12.0	1	120	0	0	0	137
SITE TOTAL LOAD															
											17916	10999	20898	11520	72404

* Power and BTU ratings for these models have not been verified.
 Growth Factor for UPS
 UPS Design Load

1.20
21.5 KW

Power/Air-Conditioning Load Calculations

Site Name: BBB Bank

Customer Name: Kingston County

8/24/Version 16.0

Qty on UPS / Inverter	Qty on DC Battery Power	Critical (Step1) Qty Directly on Generator	Non-Critical (Step 2) Qty on Generator	Model	Manufacturer	Power Load Watts per Unit	AC Load BTU/Hr per Unit	Weight (Lbs)	Dimension HxWxD (Inches)	Rack Units	UPS / Inverter load (Watts)	DC Battery Power Load (Watts)	Critical (Step 1) Generator Load (Watts)	Non-Critical (Step 2) Generator Load (Watts)	HVAC load BTUs/Hour

Recommended UPS size
Number of dedicated FNE circuits required on UPS power

Growth Factor for Air conditioner
 Air Conditioner Design Load

Recommended Air Conditioner size

Normal Voltage
 Minimum system voltage
 Maximum allowable input voltage
 Growth Factor for DC Battery System
 Is an Inverter (instead of UPS) desired to support the 120VAC loads identified in "Qty on UPS" column
 Inverter size
 Constant Current Required for Equipment on DC Power
 Operating Temperature
 Required Battery Backup Duration
 Temp Correction Factor per IEEE-485 for 77F operating temperature (To be verified by manufacturer)
 Aging Factor per IEEE-485
 Efficiency Factor of an 8 hour rated battery for 1 hour battery backup duration (To be verified by manufacturer)
 Design Margin per IEEE-485

Minimum Required Battery Capacity for DC Battery System

Recharge time
 Minimum Required Charger Capacity for DC Battery System
 Size of individual charger unit to be used at 48VDC
 Capacity of distribution panel for load breakers (in addition to the battery disconnects)
 Recommended number of 2GA chargers and shelves (N+1 redundancy)

Surge Factor to account for inductive load cycling of non-critical loads (HVAC, light balls, motors etc)
 Total Growth Factor for critical loads on the generator
 Average high temperature at generator location
 Altitude above mean sea level
 Derating factor of generator for altitude above mean sea level
 Derating factor of generator for ambient temperature

89.6	Amps
22.80	KW
30	Each
<hr/>	
1.20	
7.3	Tons
86.9	KBTU
25.5	KW
96	KBTU

48	Volts
42	Volts
56	Volts
1.20	
No	
0.00	KW
2.46.5	Amps
77 F or 25C	
1.00	Hours
1.00	
1.25	
0.70	
1.10	
484	Amp-Hr
8.00	Hours
313.05	Amps
28	Amps
18	Each
14	Each

1.50	
1.20	
95	°F
0	Feet
1.00	
0.98	

Power/Air-Conditioning Load Calculations

Site Name: BB&T Bank

Customer Name: Kingston County

MSA Version 1.0

Qty on UPS / Inverter	Qty on DC Battery Power	Critical (Step 1) Qty Directly on Generator	Non-Critical (Step 2) Qty on Generator	Model	Power Load Watts per Unit	AC Load BTU/Hr per Unit	Weight (lbs)	Dimension HxWxD (Inches)	Rack Units	UPS / Inverter load (Watts)	DC Battery Power Load (Watts)	Critical (Step 1) Generator Load (Watts)	Non-Critical (Step 2) Generator Load (Watts)	HVAC load BTUs/Hour

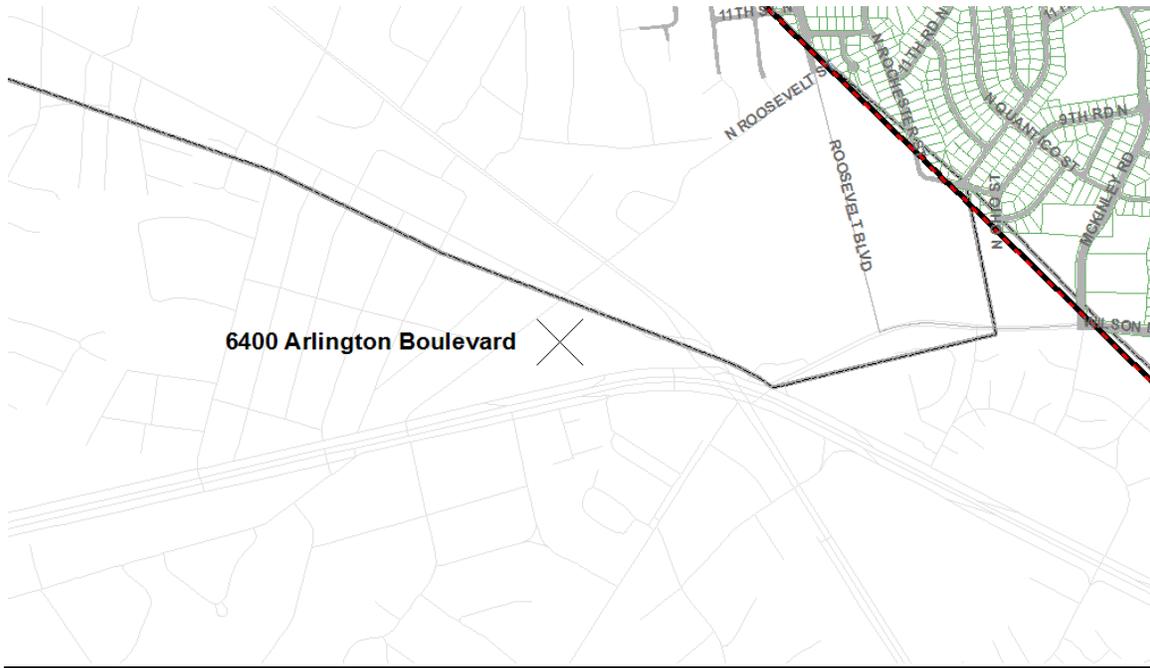
Generator Design Step 1 (Critical) Load
 Generator Design Step 2 (Non-critical) Load
 Total Generator Load
Recommended Generator Size
 Generator Run Time required
 Fuel type
 Fuel required to support 100% of rated load for closest available Generator model
Recommended Fuel Tank size

Main Service Voltage
 Number of Phases
 Power Factor of the connected loads
 Main Service Design Load
Recommended Service Load Size

483	KW
176	KW
660	KW
75	KW
360	Hours
432.0	Gallons
1000	Gallons
240	Volts
1	Phases
0.90	Power Factor
344	Amps
400	Amps

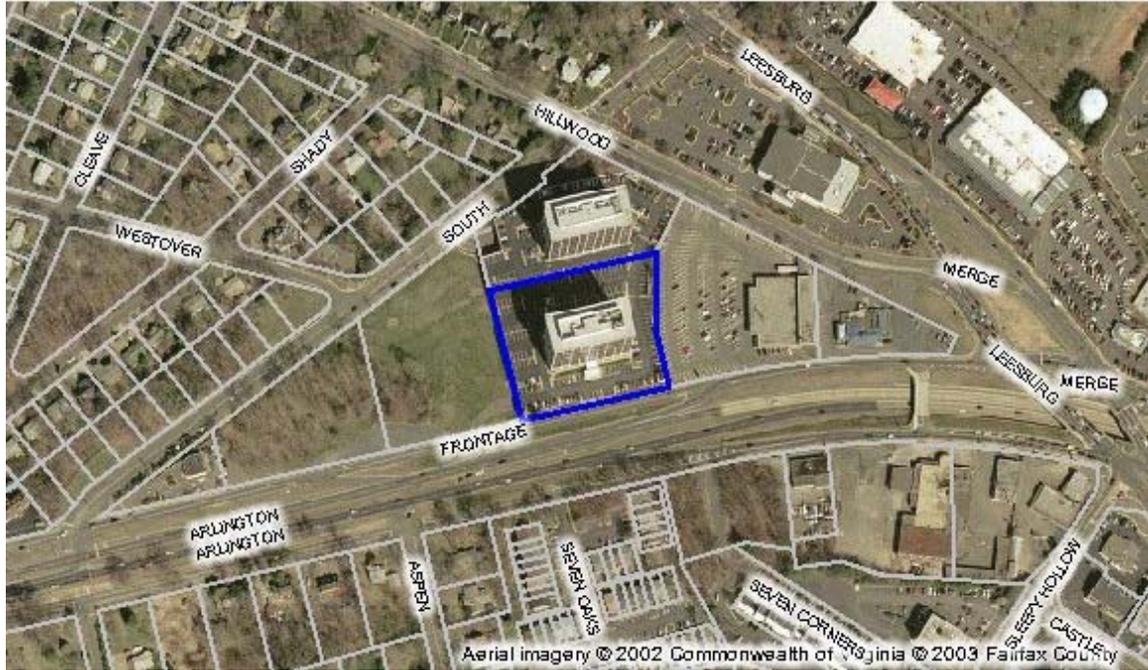
VICINITY MAP
6400 ARLINGTON BOULEVARD, FALLS CHURCH,
VIRGINIA

(Fairfax County Parcel ID #s 051-01-0001B and 0513-01-0001E; City of Falls Church
RPC #53-217-001)



VICINITY MAP
6400 ARLINGTON BOULEVARD, FALLS CHURCH,
VIRGINIA

(Fairfax County Parcel ID #s 051-01-0001B and 0513-01-0001E; City of Falls Church
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VICINITY MAP
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