



Date: January 26, 2016
To: THE TRUSTEES
From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER
Subject: Expansion of Leased Premises – 30 South Pearl Street, Albany, NY

SUMMARY

The Trustees are requested to authorize the amendment of the Authority's current lease with PS Associates, L.P. ("Landlord") to expand the current leased premises located on the tenth floor at 30 South Pearl Street, Albany, NY ("30 South Pearl Street") from 12,600 square feet to 17,100 square feet. It is intended that the lease for the new space would commence on or about February 1, 2016 and terminate, coincident with the current lease, on July 31, 2021. The annual rental for the added space is \$82,880 for the period from February 1, 2016 through July 31, 2017; \$87,360 for the period August 1, 2017 through July 31, 2019; and \$89,600 for the period August 1, 2019 through July 31, 2021.

BACKGROUND

The Authority's Expenditure Authorization Procedures governing real estate require the Trustees' approval for the acquisition of lease interests in real property where the total term, including all renewal options, exceeds ten (10) years.

The Authority has leased office space at 30 South Pearl Street since March 1, 1999. The original lease has been amended on several occasions to extend the term and to adjust the leased square footage, as required, to meet staffing needs. Pursuant to the New York State Public Authorities Law and the Authority's Real Estate Procurement Guidelines, staff periodically reviews Authority leases to insure that any leased space is still required and that the rent paid represents fair market value for the type of space and its location.

DISCUSSION

The square footage leased at 30 South Pearl Street has been adjusted on several occasions to reflect changes in operational and staffing needs. For a period of time the entire tenth floor was leased, but as staff was relocated the space was reduced. At present, the Authority leases approximately two-thirds of the floor. However, as the result of recent staff additions, particularly in the Energy Efficiency and Legislative and Regulatory Affairs groups, additional space is required. All available space, including some storage and meeting space, is now being utilized by existing employees, and new employees are sitting in temporary and inadequate locations. Additionally, due to the centralized location of the office and proximity to other government entities, there is a significant need for "swing" offices for both Authority personnel and guests, and none are available. There is also a need for more storage and filing room space.

The rental rate for the current leased space is \$20 per square foot ("psf"). Real Estate staff negotiated a reduced rate for the new space, starting at \$18.50 psf and increasing incrementally to \$20 psf at the end of the term. The lease amendment also includes an option for an additional five-year term at a rate to be negotiated. The rental rates and other charges

set out above are competitive with similar space in the Albany area. The Authority will incur no build-out costs or brokerage fees in this transaction.

FISCAL INFORMATION

Funds required for the lease extension will come from the Authority's Capital Fund.

RECOMMENDATION

The Senior Vice President – Wholesale Commercial Operations and the Vice President – Enterprise Shared Services recommend that the Trustees approve the amendment of the Authority's current lease with PS Associates, L.P. to expand the leased premises located on the tenth floor at 30 South Pearl Street, Albany, New York from 12,600 square feet to 17,100 square feet.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Gil C. Quiniones
President and Chief Executive Officer

RESOLUTION

RESOLVED, that the President and Chief Executive Officer and the Vice President – Enterprise Shared Services be, and hereby are, authorized to enter into a lease extension with PS Associates, L.P. to expand the current leased premises located on the tenth floor at 30 South Pearl Street, Albany, NY from 12,600 square feet to 17,100 square feet, on substantially the terms set forth herein, subject to approval of lease documents by the Executive Vice President and General Counsel or his designee; and be it further

RESOLVED, That the Vice President – Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Authority that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, that the Chairman, the President and Chief Executive Officer, the Chief Operating Officer, the Senior Vice President – Wholesale Commercial Operations and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution subject to the approval of the form thereof by the Executive Vice President and General Counsel.