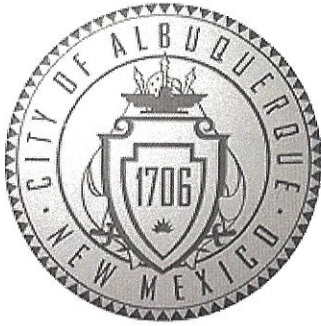


EC-21-473



CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

October 20, 2021

TO: Cynthia Borrego, President, City Council

FROM: Timothy M. Keller, Mayor *TMK*

SUBJECT: Second amendment to the Lease between the City of Albuquerque Aviation Department and the Department of Commerce, National Oceanic and Atmospheric Administration, National Weather Service ("National Weather Service")

Attached for Council action is a copy of the second amendment to the Lease between the City of Albuquerque Aviation Department and the National Weather Service.

Purpose: This amendment will allow the General Services Administration ("GSA"), the entity that administers the lease on behalf of the Federal government, to formally accept the Tenant Improvements performed by the City as substantially complete. Upon formal acceptance, the GSA can then provide payment for the Tenant Improvements. It also establishes and formally accepts various areas described in the original lease that could only be finalized by the GSA after the Tenant Improvements were completed.

Term: The Amendment maintains the term of the original agreement. It establishes a ten-year firm term from June 2, 2021 through June 1, 2031, with a five-year soft term from June 2, 2031 through June 1, 2036.

Revenue Amount: The revenue amount will be the same as established in the original agreement, this second amendment formalizes payment schedules.

The attached transmittal of the second amendment to the Lease between the City of Albuquerque Aviation Department and the Department of Commerce, National Oceanic and Atmospheric Administration, National Weather Service is submitted for consideration and action by the City Council.

Approved:

Sarita Nair
 Sarita Nair
 Chief Administrative Officer

11/5/21
 Date

Approved as to Legal Form:

Esteban A. Aguilar, Jr.
 Esteban A. Aguilar, Jr.
 City Attorney

10/28/2021 | 10:03 AM MDT

Recommended:

Nyika A. Allen
 Nyika A. Allen, C. M.
 Director of Aviation

10/24/2021 | 3:00 PM MDT

LL
REM

Cover Analysis

1. What is it?

This is a second amendment (“Amendment”) to the Lease between the City of Albuquerque Aviation Department and the Department of Commerce, National Oceanic and Atmospheric Administration, National Weather Service. The Lease is administered for the Federal government by the General Services Administration (“GSA”).

2. What will this piece of legislation do?

This Amendment will

1. Allow the GSA to accept the Tenant Improvements performed by the City as substantially complete;
2. Formally establish the Commencement Date of the lease rental payments at the new lease rates;
3. Re-state the expiration of the firm term of the lease;
4. Formally establish the square footages of the leased space;
5. Provide the annual rental schedules and amounts;
6. Formally establish the Governments’ Percentage of occupancy for Property Tax purposes;
7. Provide for rental reduction amounts for any vacant space;
8. Formally establish the Base amount for the Operating Cost adjustments;
9. Formally establish the Common Area Factor; and
10. Provide for the payment of the Tenant Improvements.

3. Why is this project needed?

This amendment will formalize several aspects of the lease including but not limited to payment to the City for Tenant Improvements conducted, establishing a Base amount for Operating Costs which will be escalated annually, and to begin the payments of rent at the new levels.

4. How much will it cost and what is the funding source?

There is no cost to the City as it is a revenue contract.

5. Is there a revenue source associated with this Plan? If so, what level of income is projected?

This Amendment does not bring additional revenue to the City. It does formalize how revenue already approved by Council will be paid to the City.

6. What will happen if this project is not approved?

The Department of Commerce National Oceanic and Atmospheric Administration also known as the United States Weather Service will have to relocate to a different location and revenue will be lost to the Aviation Department.

7. Is this a service already provided by another entity?

No.

FISCAL IMPACT ANALYSIS

TITLE: Second Amendment to the Lease between the City of Albuquerque Aviation Department and the Department of Commerce, National Oceanic and Atmospheric Administration, National Weather Service

R: O:
FUND: 611
DEPT: 700611

- [X] No measurable fiscal impact is anticipated, i.e., no impact on fund balance over and above existing appropriations.
- [] (If Applicable) The estimated fiscal impact (defined as impact over and above existing appropriations) of this legislation is as follows:

	2022	Fiscal Years 2023	2024	Total
Base Salary/Wages				-
Fringe Benefits at	-	-	-	-
Subtotal Personnel	-	-	-	-
Operating Expenses		-		-
Property		-	-	-
Indirect Costs	-	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$ -
[X] Estimated revenues not affected				
[] Estimated revenue impact				
Revenue from program		0	0	0
Amount of Grant		-	-	-
City Cash Match				
City Inkind Match				
City IDOH				
Total Revenue	\$ -	\$ -	\$ -	\$ -

These estimates do not include any adjustment for inflation.

* Range if not easily quantifiable.

Number of Positions created

COMMENTS: This amendmant is not changing the revenue amount associated with the lease.

COMMENTS ON NON-MONETARY IMPACTS TO COMMUNITY/CITY GOVERNMENT:

Once signed, this lease will provide new economic base jobs for the city of Albuquerque.

PREPARED BY:

DocuSigned by:

Joshua Castellano-Gonzalez

FISCAL ANALYST

APPROVED:

DocuSigned by:

Mika L. Allen

DIRECTOR

10/24/2021 | 3:00 PM MDT

REVIEWED BY:

DocuSigned by:

Kevin E. Noel

EXECUTIVE BUDGET ANALYST

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10/28/2021 | 9:28 AM MDT

CITY ECONOMIST

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 2 TO LEASE NO. <u>GS-07P-LNM00216</u>
ADDRESS OF PREMISES 2341 CLARK CARR RD SE ALBUQUERQUE, NM 87106-5633	PDN Number: PS0048376

PSTHIS AMENDMENT is made and entered into between

City of Albuquerque

whose address is: 2200 Sunport Blvd. SE,
Albuquerque, NM 87106-5633

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease. The purpose of this Lease Amendment is to accept the leased premise as substantially complete. **NOW THEREFORE**, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective upon the signature hereof by both parties and delivered, as follows:

- 1.) Accept the Tenant Improvements as substantially complete; and
- 2.) Establish the Commencement Date of the lease rental payments; and
- 3.) Re-state the expiration of the firm term of the lease; and
- 4.) Establish the square footages of the leased space; and
- 5.) Provide the annual rental schedules and amounts; and
- 6.) Establish the Government's' Percentage of Occupancy for Property Tax purposes; and
- 7.) Provide for the rental reduction amount for vacant space; and
- 8.) Establish the Base amount for the Operating Cost adjustments; and
- 9.) Establish the Common Area Factor; and
- 10.) Provide for the payment of the Tenant Improvements; and
- 11.) All other terms and conditions are in full force and effect.

See Attached

This Lease Amendment contains 4 pages, including Exhibit A.

IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

Signature: _____
 Name: _____
 Title: _____
 Entity Name: _____
 Date: _____

FOR THE GOVERNMENT:

Signature: _____
 Name: _____
 Title: Lease Contracting Officer
 GSA, Public Buildings Service,
 Date: _____

WITNESSED FOR THE LESSOR BY:

Signature: _____
 Name: _____
 Title: _____
 Date: _____

1.) The tenant improvements are *substantially* complete and the Government accepts the leased premise on June 2, 2021. The Lessor and the Government agree that the requirements specifically identified in Exhibit "A - LA#2", GSA Form 1204 - Condition Survey Report of this lease amendment are not met and these items are deficiencies. The Lessor is required to cure these deficiencies as part of the negotiated lease contract within 25 calendar days from June 2, 2021. **Due to the COVID-19 outbreak, a physical inspection of the leased premises by the Government is not possible at this time. The Government reserves the right to physically inspect the space and document any additional deficiencies for the lessor's correction at such time a physical inspection is possible by the Government. Any additional deficiencies noted at the time of the physical inspection will be documented on a supplemental GSA Form 1204 and given a time frame for completion via subsequent LA.** Within 7 calendar days of the completion date for the Lessor to cure the deficiencies in Exhibit "A - LA#2" of this lease amendment, the Lessor must coordinate a follow-up inspection with the Lease Contracting Officer to ensure all corrective action has been completed. In the event of any failure by the Lessor to cure the deficiencies or to provide any required repair or modernization under this lease, the Government will perform the work and deduct these amounts from the rent, including all administrative costs. No extensions will be granted.

2.) The Commencement Date of the rental on the demised premise shall be June 2, 2021 and shall expire on June 1, 2036, subject to the termination rights set forth in the lease.

3.) The firm term of the lease expires on June 1, 2031.

4.) The total leased premise square footage shall be 6,565 Rentable Square Feet (RSF) yielding 5,665 ANSI/BOMA Office Area (ABOA).

5.) The Government shall pay the Lessor annual rent as follows:

From June 2, 2021 through June 1, 2036 the total annual rent shall be \$149,313.97 at the rate of \$12,442.83 per month in arrears. The total annual rent consists of annual Shell Rent of \$124,931.95, annual Operating Costs of \$0.00, and then annual Tenant Improvement Amortization cost of \$24,382.02.

6.) The Government's' Percentage of Occupancy for Property Tax Reimbursement purposes shall be 100% (((6,565 RSF (leased premise) /6,565 RSF (Building total RSF) X 100).

7.) The Government's Adjustment for Vacant Space shall be a reduction of \$0.00/ABOA.

8.) In accordance with the Lease paragraph entitled "Operating Cost Base", the escalation base shall be \$0.00.

9.) The Common Area Factor shall be 16% [((6,565 RSF – 5,665 ABOA) / 5,665 ABOA X 100 {rounded to the nearest whole percentage point per the lease agreement}].

10.) The Lessor and the Government agree that the total cost of all improvements paid for by the Government is \$251,972.11.

The Government shall pay for the total TI \$251,972.11 by amortizing an amount of \$243,820.18 [the Tenant Improvement Allowance] in the rent monthly for the firm term of the lease and more specifically the first 10 years of the lease term, in arrears, at zero percent (0%) interest rate. The remaining balance of \$8,151.93 [\$251,972.11 (total cost of TI) - \$243,820.18 (TI and amortized allowance) = \$8,151.93] shall be paid by a lump-sum payment.

After acceptance of the leased premise by the Government, the Lessor may submit for the lump-sum payment. The Lessor agrees that the invoice shall be printed on the letterhead as the party named on this lease, shall include the lease number, building address, and a price and quantity of the items delivered. It shall reference number **PS0048376** and shall be sent electronically to the GSA Finance Website at [HTTPS://FINANCE.OCFO.GSA.GOV](https://finance.ocfo.gsa.gov). Instructions for invoice submission are included on this website <https://finance.ocfo.gsa.gov/defaultexternal/Files/FAQ07.pdf> . Additional assistance is available from the Finance Customer Service line at 800-676-3690.

If the Lessor is unable to process the invoice electronically, then the invoice may be mailed to:

Regular US Postal Service Mail ONLY: GSA, P.O. Box 17181, Fort Worth, TX 76102-0181

INITIALS: _____ & _____
LESSOR LESSOR GOV'T

OR

UPS or FED EX Deliveries: GSA 819 Taylor Street; Room 5D08, Fort Worth, TX 76102

The Lessor also agrees that a copy of the invoice shall be sent simultaneously to the GSA Leasing Specialist at the following email address: geneva.campos@gsa.gov

11.) All other terms and conditions of the lease shall remain in full force and effect.

INITIALS: _____ & _____
LESSOR GOV'T

CONDITION SURVEY REPORT

DATE OF SURVEY

June 1 2021

Check one: ☒ INITIAL ☒ FINAL

BUILDING NAME AND ADDRESS

NOAA NWS Albuquerque New Mexico
2341 CLARK CARR LOOP SE
ALBUQUERQUE, NM 8710

LESSOR'S NAME AND ADDRESS

City of Albuquerque - International Airport

ROOM NUMBERS OR OTHER IDENTIFICATION

LEASE NUMBER

SUGGESTED ITEMS (Incomplete)

1. BUILDING EXTERIOR
2. BUILDING ENTRANCES
3. CEILING
 - a. MATERIAL
 - b. PAINT
4. CORRIDORS
5. DOORS
 - a. MATERIAL
 - b. LOCKS
 - c. TRANSOMS
6. ELECTRICAL SYSTEM
 - a. LIGHT FIXTURES (NUMBER AND TYPE)
 - b. SWITCHES
 - c. OUTLETS
7. ELEVATORS (NUMBER AND TYPE)
8. FIRE ESCAPES
9. FIRE PROTECTION EQUIPMENT
 - a. FIRE EXTINGUISHERS (TYPE)
 - b. HOSE RACKS AND/OR REELS
 - c. FIRE ALARM SYSTEM (TYPE)
 - d. SPRINKLERS
10. FLOORS
 - a. MATERIAL
 - b. COVERING
11. HEATING AND AIR CONDITIONING SYSTEMS
 - a. HEATING PLANT (TYPE)
 - b. RADIATORS
 - c. SPACE HEATERS
 - d. AIR DUCTS AND OUTLETS
 - e. FANS
12. LAVATORIES (OFFICE)
13. REST ROOM FACILITIES
 - a. LAVATORIES
 - b. WATER CLOSETS
 - c. URINALS
 - d. MIRRORS
 - e. WASTE RECEPTACLES
 - f. TOWEL DISPENSERS
 - g. TOILET PAPER DISPENSERS
 - h. SANITARY PAD DISPENSERS
14. SKYLIGHTS
15. STAIRS
16. VENTILATORS
17. WALLS
 - a. MATERIALS
 - b. PAINT
18. WINDOWS
 - a. FRAME
 - b. SASH
 - c. VENETIAN BLINDS
 - d. ROLLER SHADES
 - e. SCREENS
 - f. AWNINGS

NARRATIVE REPORT

REPORT ON ALL PERTINENT ITEMS, COMMENTING AS TO THEIR GENERAL CONDITION AND APPEARANCE, TYPE OF CONSTRUCTION, CONDITION OF PAINT OR OTHER FINISH, ETC. USE REVERSE OF THIS FORM IF MORE SPACE IS NEEDED.

€ Carpeting ... completed and accepted.
 € Floor base ... completed and accepted
 € New Walls painted ... completed and accepted.
 € Last Speaker work to be finalized ... Punchlist ... should be completed at COB June 1, 2021:



€ Final vacuum of carpet at speaker work ... Punchlist ... should be completed at COE June 1, 2021
 € HVAC Report ... Testing and Airflow and return ... completed ... Punchlist: Request final commissioning report (test of system in compliance with manufacturer's recommendation and GSA standard)

Phase 2 is inspected and accepted. Punchlist is to be completed within 60 days.

We, the undersigned, do hereby certify that this report represents our opinion of the true and correct condition of the above described premises as of

SIGNATURE AND TITLE

Mark S. Shinto, NOAA Affiliate

Mark Shinto - NOAA Affiliate

6/01/2021

SIGNATURE AND TITLE

Philip Dunlap

Construction Manager

DocuSigned by:

Philip Dunlap

6/2/2021

ADDITIONAL SIGNATURES (If needed)

Robin Riley

Senior Project Manager

DocuSigned by:



6/2/2021

0C9E3A47E1FC4C8...

SIGNATURE OF LESSOR (If not obtained, explain on reverse)

Rhonda Methvin

Planning Manager

DocuSigned by:

Rhonda Methvin

6/2/2021

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