

Bi-weekly/Monthly submission
Leasing 9/5/97

OEM at 7 World Trade Center

The landlord, Silverstein Properties, received a proposal from its preferred architect, Swanke Hayden Connell, on August 28th for the cost of the scope of services needed to complete the architectural work for this project. The proposed cost is over \$600,000, well in excess of our original estimates and considerably more than the landlord is willing to extend before it has a fully executed lease. DCAS is reviewing the costs, which include considerable consultants fees for telecommunications, computer and audio-visual consultants, in an effort to reduce them. Also, DCAS and the Law Department are investigating ways to indemnify the landlord for part of these costs if the City does not sign the proposed lease. Due to the delays in engaging an architect to commence the plans, the plans may not be ready for lease attachment when the lease is projected to be signed in January.

DCAS and the Law Department also met with the landlord and its attorney on September 4th to review another draft lease document. The lease should be finalized this month. Provided the plans are not delayed any further. The schedule for completion remains lease execution in January 1998 after all public approvals are received in November and December, construction of the office space by the end of March 1998 with construction of the EOC by the end of May.

Courts at 141 Livingston Street

DCAS has had several discussions with the landlord's agent over the last two weeks regarding the outstanding issues and we feel we have resolved them. The landlord's agent has requested that we hold off on meeting with the landlord's attorney to finalize the lease until he has reviewed these points with the landlord and a prospective purchaser. We have been assured that the prospective purchaser wants to go through with this lease as negotiated.

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Bi-weekly/Monthly submission
Leasing 8/1/97

OEM at 7 World Trade Center

DCAS met with the landlord and its contractor on July 29th, and again with the landlord and its attorney on July 31st to continue our negotiations on the lease document. We are also working with the landlord to select an architect to prepare the preliminary and final plans by mid-December for attachment to the lease. The schedule for completion remains (a) submission of the "Notice of Intent to Acquire" in November and approval by the City Planning Commission and City Council in late December, (b) a Real Property Public Hearing for approval of the business terms in early January with lease execution immediately thereafter and (c) construction of the office space by the end of March 1998 with construction of the EOC by the end of May.

Courts at 141 Livingston Street

We received another draft to the lease from the landlord's attorney on July 31st. It included a demand for the City to have the right to cancel the lease in whole only, not in part. Previously the City had the right to cancel in part. Since the long term plan is to move these two Courts, Housing and Civil, to two separate locations, ideally the City needs to be to cancel in part. If we can only cancel in whole, we will need to coordinate the moves of these two Courts to minimize the possibility of rent being paid on vacate space. This demand is apparently non-negotiable. The landlord feels if one Court vacates before the other, the vacated space cannot be marketed successfully to other tenants. Also, the mezzanine cannot be made ADA compliant without extensive funds being expended. The landlord has offered alternate space on another floor instead. We are evaluating the work required in the alternate space and are reviewing the most recent draft lease before a meeting is scheduled with the landlord later this month to finalize the lease. There has been a one month delay for the landlord's attorney to re-draft the lease since our last meeting with the landlord June 26th. We now project finalizing the lease in late August and submitting it to a real property public hearing in late September for approval.

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