

Bi-weekly/Monthly submission
Leasing 10/1/97

OEM at 7 World Trade Center

DCAS has met with the landlord's architect, Swanke Hayden Connell, to review their proposals and expects a revised proposal, including consultants fees for telecommunications, computer and audio-visual consultants, in the next week. Once the fees are agreed upon, the plans can be prepared. The Law Department is preparing a License Agreement to indemnify the landlord for part of these costs if the City does not sign the proposed lease. Since there have been delays in engaging an architect, we will need to make up the lost time to ensure the plans are ready for lease attachment when the lease is projected to be signed in January. We will be meeting with the landlord and Swanke Hayden Connell to review the schedule for the preparation of the plans to ensure a timely completion.

Courts at 141 Livingston Street

DCAS has been informed that the building has been sold and that the closing will occur in early November. The current landlord will not finalize the lease, leaving it to the new landlord to sign. We have requested a meeting with the new landlord to discuss the lease. We have been given the impression that the new landlord will accept the terms of the proposed lease. Due to this change in ownership and the related delays in finalizing the lease, we now project executing the lease in December 1997.

ACS lease at 119 W.31st Street

The ACS sublease at 119 West 31st Street for ACS' OCACM expired on September 30, 1997. Due to the delays finalizing the plans at 150 William Street, we have been forced to negotiate a short term lease with the over landlord at 119 West 31st Street as the renovations at 150 William Street are now projected to take another year. Although ACS only occupies five floors of 62,370 square feet the original sublease was for 97,370 square feet and the City would potentially be liable for a holdover rent for the entire space. Also, the landlord claims to have long term leases with other tenants for three of the floors ACS currently occupies. Due to ACS holding over after our lease expired, the City could be held liable for damages for the landlord's loss of these leases. We have been successful in negotiating a one year lease with the over landlord which provides for ACS to continue to occupy its current space for another month, but they will need to move three of their floors to two other floors in the building by November 1st. The new lease with the over landlord should be signed and approved at a real property public hearing by December 1997.

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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 8/20/97

OEM at 7 World Trade Center

DCAS and OEM met with the landlord, Silverstein Properties, and its preferred architect, Swanke Hayden Connell, on August 19th to review the scope of work in order for the architect to submit a fee proposal to the landlord. Also in attendance was EIS, a systems consultant selected by OEM to assist the architect in the design of the Emergency Operations Center. We anticipate the architect to be engaged by the landlord and to commence preliminary design work by the end of August.

DCAS and the Law Department also met with the landlord and its attorney on August 21st to review the most recent draft lease document prepared earlier this month. Very few major issues remain. 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

DCAS has had several discussions with the landlord and the landlord's agent over the last few weeks regarding the landlord's most recent demand (included in the most recent July 31st draft lease) that the City 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 able 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 remains non-negotiable and a "deal breaker" from the landlord's perspective. The landlord feels if one Court vacates before the other, the vacated space cannot be marketed successfully to other tenants. It appears that we will need to agree to this demand to finalize the lease in the near future. If we agree to this provision now, the lease could be finalized and presented to a real property hearing for approval in October.

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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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Leasing 7/24/97

OEM at 7 World Trade Center

On July 24th DCAS and the Law Department met with the landlord and its attorney to review the first draft of the lease. We will be meeting with the landlord and its contractor on July 29th, and again with its attorney on July 31st, to continue our negotiations on the lease document. We have developed a new schedule for the completion of the project based upon instructions from the Mayor's Office regarding the scheduling of the public approval process. The new schedule has the submission of the "Notice of Intent to Acquire" in November and approval by the City Planning Commission and City Council in late December. The Real Property Public Hearing for approval of the business terms can be scheduled in early January with lease execution immediately thereafter. Construction of the office space could be completed by the end of March 1998 with construction of the EOC by the end of May.

Leasing 7/10/97

141 Livingston Street - Lease renewal for Courts

DCAS met with the landlord to resolve open issues on June 20th to resolve the open issues which remain. Since then our attorney has also had several conference calls with the landlord's attorney. Progress has been made but several issues remain. We will resolve these issues by the end of the month for a final draft of the lease to be generated in early August. Our current projection is for submission to a September Real Property Public Hearing for approval of the new lease.

OEM - 7 World Trade Center

In late June, the Office of Emergency Management requested that DCAS find leased space for its offices and its command center. It was agreed that 7 World Trade Center was the only building that suited OEM's technical requirements and that was close to City Hall. The property is built on Port Authority land but is owned by Silverstein Properties. We have come to an agreement with the landlord on the basic business terms of the lease and will present those terms to the Acquisitions Review Committee meeting on July 15th. We project having the lease completed by mid-August, presented to a public hearing for approval in September and the office space completed in December. Due to the technical requirements of the command center, its completion will be several months thereafter.

OEM at 7 World Trade Center

In late June, the Office of Emergency Management requested that DCAS find leased space for its offices and its command center. It was agreed that 7 World Trade Center was the only building that both suited OEM's technical requirements and was located close to City Hall. The building is built on Port Authority land under long term lease to Silverstein Properties. We have come to an agreement with the landlord on the basic business terms of the lease, which were presented to the Acquisitions Review Committee meeting on July 15th and approved. We are developing a timeline for completion of the space with the landlord. Due to the technical requirements of the command center, its completion may not occur until mid-1998. We will keep you informed of our progress.