

Item No.: 6e_supp
Meeting Date: September 11, 2014

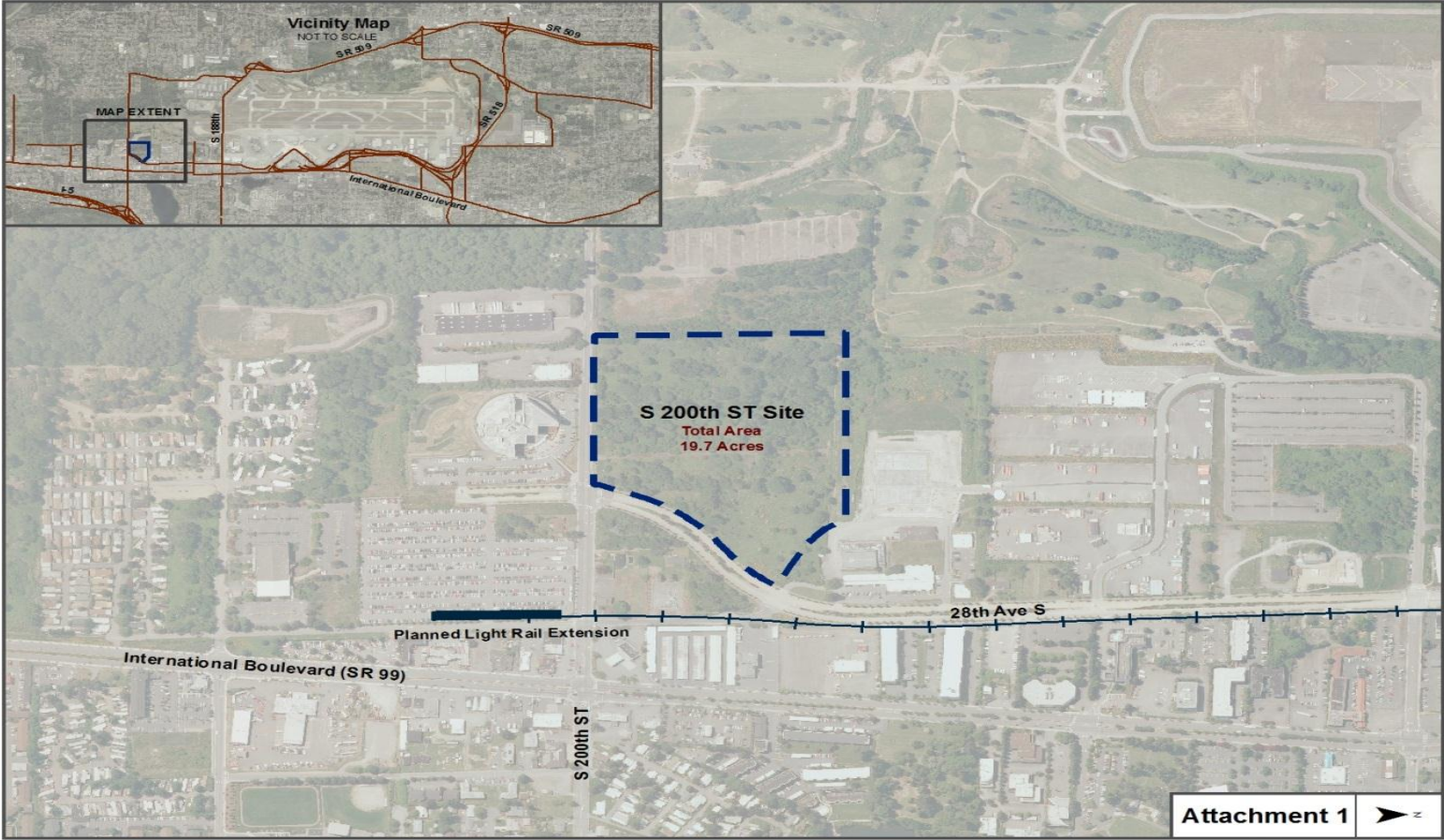
FAA Headquarter Development Credit Lease Investments LLC Option/Ground Lease

FAA Headquarters Procurement

- The General Services Administration (GSA) is seeking lease proposals for 300,000 square feet to house the FAA's regional headquarters over a 20-year term.
- GSA is considering both existing buildings and new, build-to-suit facilities from downtown Seattle to several South King County cities, including SeaTac, Des Moines, Renton and Kent.
- Occupancy must be completed by August 1, 2017. The project will house about 1,600 FAA employees.
- Selection is based on the overall value to the FAA, which will include both the proposed rent and non-financial factors such as proximity to mass transit, a high level of site security, and achieving a LEED Gold standard in the project's design.
- GSA has informed staff that the Port's proposed site is capable of meeting the project's minimum requirements. The Port's 20-acre site is directly across 28th Avenue South from Sound Transit's Angle Lake light rail station that is currently under construction and scheduled for completion in 2016.



Site Map



Credit Lease Investments Projects

Five Oaks Tower



Project Location: Houston, TX

Date Completed: January 2016 (under construction)

Square Feet: 600,000

LEED: Gold

Millennium Tower II



Project Location: Houston, TX

Date Completed: October 2015 (under construction)

Square Feet: 581,870

LEED: Silver

Sysco Corporate Campus



Project Location: Houston, TX

Date Completed: January 2008

Square Feet: 1,210,000 Total

LEED: Gold

Two Briar Lake Plaza



Project Location: Houston, TX

Date Completed: June 2014

Square Feet: 748,461

LEED: Silver

Intelligence & Security Command (INSCOM) U.S. Naval Facilities Engineering Command Atlantic (NAVFAC)



Project Location: Fort Belvoir, VA

Square Feet: 621,811



Project Location: Dal Molin Airfield Vicenza, Italy

Square Feet: 2,000,000

Option Agreement – Key Terms

- Optionee - Credit Lease Investments LLC
- Option exercised only if CLI and the site is selected by GSA
- Term - One (1) year
- Option Fee – non-refundable \$8,727.00



Ground Lease – Key Terms

- Term
 - 22 year initial term
 - 10, 5-year options to extend
 - Plus 1, 3-year option
- Use
 - Class A Office with approximately 300,000 SF
 - Occupancy by August 1, 2017
 - Approximately 1,600 FAA employees
 - LEED - Gold



Ground Lease – Key Terms

- Rent During Construction (max. of 24 months)
 - \$0.081/sf/year or \$70,000.00/year
- After Construction
 - \$0.81/sf/year NNN or \$700,000.00/year
- Rent Adjustments
 - Every 5 years by 5%/year compounded annually
 - Periodic reappraisals of the land to FMV



Ground Lease – Key Terms

- Operating Expenses
 - Absolute Net to Port
 - Credit Lease Investments pays all utilities, taxes, insurance and maintenance
- Economic Benefits
 - NPV for the Initial Term - \$8.9 million
 - NPV including all options - \$21.1 million
 - Nominal rent for the entire term - \$440 million

