

AGENDA NOTE – HRPDC EXECUTIVE COMMITTEE MEETING

ITEM #11: REGIONAL OFFICE BUILDING

SUBJECT:

The HRPDC and the Southeastern Public Service Authority (SPSA) jointly own The Regional Building. As SPSA divests itself of assets, decisions regarding The Regional Building must be made.

BACKGROUND:

The HRPDC and SPSA own the facility debt free, including shared ownership of certain components. SPSA is in the process of divesting itself of various assets. As a consequence of the sale of the Waste To Energy Plant and other reductions, it no longer needs the amount of space that it owns in The Regional Building. SPSA has advised the HRPDC of its desire to lease a portion of its space in the Regional Building. Under the terms of the Tenants-in-Common Agreement between the HRPDC and SPSA, the HRPDC has a right of first opportunity to lease the area if it so desires. At this time, the HRPDC does not foresee a need to lease the area that SPSA proposes to vacate.

RECOMMENDED ACTION:

Staff recommends the Commission authorize the Executive Director to sign the Non-Acceptance of Offer to lease the proposed area of the Regional Building.

Attachment

Regional Office
723 Woodlake Drive, Chesapeake, VA 23320
phone: (757) 420-4700 fax: (757) 965-9528
www.spsa.com

October 28, 2010

Mr. Dwight Farmer
Hampton Roads Planning District Commission
723 Woodlake Drive
Chesapeake, VA 23320

Re: Regional Office Building - Lease Notice under Tenant-in-Common Agreement

Dear Dwight:

I'm writing with respect to a transaction that SPSA desires to pursue regarding the "SPSA Exclusive Area" in the Regional Office Building. Specifically, under the terms of Section 13 of our Tenants-in-Common Agreement (the "TIC Agreement"), we are providing you with this "Lease Notice" to communicate SPSA's offer to lease a portion of the SPSA Exclusive Area in the Regional Office Building consisting of Suite 200, which covers approximately 8,250 square feet on the second floor of the Building (this portion of the SPSA Exclusive Area constitutes the "Leased Area" under the TIC Agreement), on the terms and conditions, including rent, reflected in the document enclosed herewith.

As you know, under the terms of the TIC Agreement, HRPDC has a right of first opportunity to lease the Leased Area, on the enclosed terms, and may confirm its desire to consummate a lease by providing SPSA with a "Lease Acceptance Notice" within thirty (30) days after receipt of this Lease Notice. Of course HRPDC is welcome to take the full 30-day period to consider this offer to lease the Leased Area. However, if at this point or at any time before the expiration of such 30-day period HRPDC concludes that the Leased Area does not fit with your current facilities requirements, we would be grateful if you could confirm as much by countersigning this letter where indicated below, which will allow SPSA to pursue lease discussions with third parties in the allotted time frame.

We greatly appreciate your consideration. Please let me know if you have any questions in the meantime.

Sincerely,



Rowland L. Taylor
Executive Director

cc: Vincent J. Mastracco, Jr., Esquire
Peter M. Huber, Esquire

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Rowland L. Taylor
SPSA

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HRPDC

P.O. Box 1346
Chesapeake, VA 23320-1346

Mr. Dwight Farmer
October 28, 2010
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Enclosure

Confirmation of NON-ACCEPTANCE OF OFFER TO LEASE THE LEASED AREA AND WAIVER OF THE THIRTY-DAY PERIOD TO DELIVER THE LEASE ACCEPTANCE NOTICE:

HAMPTON ROADS PLANNING DISTRICT COMMISSION

By: _____
Dwight Farmer, Executive Director