CITY UNIVERSITY OF NEW YORK – LEASE RENEWAL AT 230 WEST 41ST STREET, NEW YORK, N.Y., ON BEHALF OF CENTRAL OFFICE

RESOLVED: That the Board of Trustees of The City University of New York authorize the General Counsel to execute a twenty-year lease Renewal and Modification Agreement, for approximately 179,901 rentable square feet of space, at 230 West 41st Street, New York, New York, on behalf of the Central Office. The lease shall be subject to approval as to form by the University Office of General Counsel.

EXPLANATION: The Central Office has occupied 177,292 rentable square feet of office and academic spaces on several floors at this building under two leases starting in July 2004. The leases will terminate in June 2017. The University houses several administrative departments and the School of Journalism at this location. The total current base annual rent is $7,121,820 ($40.17/RSF). The building is owned by the Research Foundation of CUNY.

The University and the Research Foundation have agreed on a new twenty year early renewal of the leases to secure the University’s long term occupancy and enhance the Research Foundation’s ability to refinance its existing mortgage on the property. The University will also take an additional 2,609/RSF of space on the 17th Floor of the building for a total of 179,901 rentable square feet of space.

The main terms of the proposed renewal are as follows:

- The two existing leases will be combined into one lease agreement
- The Annual Base Rent:
  - First Five Year Period: $7,226,624 ($40.17/RSF) per annum.
  - Second Five Year Period: $7,960,619 ($44.25/RSF) per annum.
  - Third Five Year Period: $8,680,224 ($48.25/RSF) per annum.
  - Fourth Five Year Period: $9,534,753 ($53.00/RSF) per annum.

The Research Foundation, at its own cost, shall perform certain improvements to the University’s space and be responsible for exterior, structural and roof repairs, as well as cleaning. The University will be responsible for operating expense escalations but will not incur real estate tax charges as a result of the property’s partial real estate tax exemption.

June, 2013