

City of Alexandria, Virginia
FY 2023 Proposed Operating Budget & CIP
Budget Questions & Answers

April 7, 2022

Question: Can you provide a list of City facility leases, their remaining duration, and the rent costs associated with the leases? Please indicate which leases are planned to be discontinued as part of the 4850 Mark Center Drive consolidation.

Response: The City currently leases over 330,000 sq. ft. across 34 leases where the City is the tenant. Leases cover office space, public safety antenna rooftop locations, DCHS client housing, APD satellite office space and some RPCA and Library space. Of the 330,000 sq ft currently leased, 219,000 sq ft is for office space (\$4.4M/year).

Six (6) leases housing DCHS offices and programs will be terminating in CY 2023 with those programs relocating to 4850 Mark Center Drive. These six leases total 102,022 sq ft and have a partial year FY 2023 cost of \$2.4 million. These leases would cost approximately \$3.3 million annually if they were not being terminated. Termination of these leases and relocation of these offices and programs to 4850 Mark Center Drive will reduce total office space leased by the City by over half. This lease cost reduction is helping to fund the ongoing costs for the City to operate the new facility. In order to recognize the impact on the operating budget of the overlap of the expiring leases and the facility operating costs beginning in FY 2023, the partial year FY 2023 cost of the expiring leases is planned to be funded by one-time prior year savings.

Attachment 1: City of Alexandria Lease Summary - FY 2023 Estimates (City as a tenant only)