

FOR CONSIDERATION

September 25, 2024

TO: The Board of Trustees

FROM: John Rhodes

SUBJECT: Approval of Authorization to Execute an Amendment to the LIPA Lease Agreement for Executive Office Space at the Uniondale Offices

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to approve and adopt a resolution authorizing the Acting Chief Executive Officer or his designee to execute an amendment to the lease agreement with 333 Earle Ovington Boulevard Spe LLC to maintain the LIPA’s executive office space at the current location in Uniondale, through February 2036.

Background

In anticipation of the April 30, 2025 expiration of LIPA’s executive office space lease in Uniondale, New York, in February 2024, LIPA engaged Jones Lang LaSalle Brokerage, Inc. (JLL) at no cost to LIPA, to locate and assist in negotiating lease(s) for new office space, or assist in negotiating renewal or extension of existing lease(s), on behalf of LIPA and to advise and represent LIPA in connection with assessing, planning and implementing its future options related to executive office space. LIPA determined that it would be beneficial, financially and otherwise, to start the process of analyzing its existing and future space needs early in order to avail itself of the best lease option over the long term, with the primary goals of reducing overall rental costs, consolidating operations onto one floor and improving organizational efficiency.

Accordingly, JLL was asked to look for approximately 40-45,000 square feet of space in buildings comparable in quality to LIPA’s current building, in either Nassau or Suffolk County, to be available no later than May 2025 for at least a ten-year term. Based on these requirements, JLL presented LIPA with multiple options for comparable office space at locations spanning from Uniondale in Nassau County to Melville in Suffolk County. LIPA Staff has reviewed and carefully considered each of these locations and based on LIPA’s goals and needs, narrowed its search to two preferred locations in Nassau (Uniondale and Jericho). For these two locations, JLL solicited and obtained competitive proposals from each owner, allowing LIPA to compare each option on an equal basis in order to determine which location would best suit LIPA’s goals and needs.

Based on that review, LIPA has determined that the proposal from RXR Realty to remain at the Omni Building for an additional 11 years and 5 months and consolidate its operations onto the fourth floor constitutes the overall lowest cost and best option for LIPA in the long term. In this regard, staying in the Omni Building provides for, among

other things: an overall reduction in total rental cost, coupled with a substantial construction allowance and rental concession package; the ability to avoid moving costs; the ability to make LIPA's space more efficient and productive; and continuity for LIPA's workforce.

Recommendation

Based on the foregoing, I recommend that the Trustees adopt a resolution in the form attached hereto.

Attachment

Exhibit "A" Resolution

RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO LIPA'S LEASE AGREEMENT FOR EXECUTIVE OFFICE SPACE AT THE UNIONDALE OFFICES

BE IT RESOLVED, that the Acting Chief Executive Officer and his designee be and hereby are authorized to execute and effect the amendment to the LIPA lease agreement for executive office space at the Uniondale offices, consistent with the terms of the accompanying memorandum, and to perform such further acts and deeds as may be necessary, convenient, or appropriate, in the judgment of the Acting Chief Executive Officer or his designee, to implement the terms of such agreement.

Dated: September 25, 2024