

**MINUTES OF THE
RIVER PLACE NORTH HOUSING CORPORATION
June 15, 2004
1121 Arlington Boulevard
Party Room, Lobby Level
Arlington, Virginia 22209**

CALL TO ORDER: President Hashmat Ali called the meeting to order at 6:11 p.m.

Directors Present: Mr. Hashmat Ali, President
Mr. Brian Fredericks, Vice President
Ms. Sara Shahade, Secretary
Mr. Andrew Spell, Treasurer [late]
Mr. Assem Iskander, Director
Ms. Nancy Joyner, Director

Directors Absent: Mr. Omer Malik, Director

Management: Ms. Donna Cooper, Building Manager.

Residents: Mr. Michael Kunkler #643

Others: Mr. Tim Reese and Mr. David Sill, Buck Commercial

APPROVAL OF AGENDA:

MOTION: Ms. Joyner moved, Mr. Iskander seconded, to approve the agenda as presented. The motion passed unanimously (5-0-0).

PRESENTATION BY BUCK COMMERCIAL: Mr. Reese spoke about the possibility of leasing space on behalf of the Association. He said Buck Commercial had previously leased 13,000 square feet of commercial space in the South building netting almost \$1 million. He also said that his company would market the management space in the North building by placing ads, mailings, working with other brokers and with electronic databases. He said his company would work with the Board to get a letter of intent signed by the tenant which would consist of the business terms agreed on by both parties. He said he took the architectural drawings to 3 contractors to create the new space. He added that Pasano Contractors submitted the successful bid and based on that bid, a lease was put together. Next, he said, the lease would be reviewed by the Association's Legal Counsel. Once the lease is signed, the management office can relocate; the space can be gutted and prepared for the tenant to move in. He then said that, based on the current Rosslyn sub-market, the Association could get \$20.00 per square foot for the first year. He suggested that by executing a 10-year deal with 3% escalators the Association could net about \$800,000.00 in 10 years. Mr. Sill referred the Board to the packet and gave an overview of the Rosslyn sub-market. He said that "C" buildings are generally over 10 years old and needed to be gutted and rebuilt.

[Mr. Spell arrived at 6:21p.m.]

River Place North Housing Corporation

June 15, 2004

Page 2

In response to Mr. Iskander's question, Mr. Sill said that the buildings renting for \$23.00 per square foot were usually high rise office buildings. He added that "hidden" lower level spaces were at the lower end of the rental scale. Mr. Reese also said that despite the great location and easy access to public transportation, the management office was not a high image space and would bring in the lower price. Replying to Mr. Ali's question, Mr. Reese said that older buildings generally offered 1 parking space per 1,000 square feet. He added that the cost of parking could be negotiated. Mr. Sill also said that Rosslyn had an 11% vacancy rate. He added that the market in Rosslyn was changing and Mr. Reese said that many older buildings were coming down. He added that the date to begin demolition of the space should be soon so the opportunity to market to those tenants looking for an inexpensive space in a great location is not missed. Responding to Mr. Iskander's question, Mr. Reese said that the space would not be built out and that the tenant would reconfigure it. He added that the North building would act as the bank for the tenant. Mr. Spell then asked about the termination clause. Mr. Reese said that older buildings had a condemnation clause and a redevelopment clause. He also said that the lease is with the lessor. He then said that the commission was 6% when the lease was signed. Ms. Cooper added that the space had separate heating and air conditioning. Mr. Reese said it would take 10 - 12 weeks from the time they have drawings. He also said that as soon as the agreement is signed, Buck & Associates could get mailings out to the area, especially Rosslyn and Crystal City.

[Mr. Reese and Mr. Sill left at 6:44 p.m.]

APPROVAL OF MINUTES:

MOTION: Ms. Joyner moved, Ms. Shahade seconded, to approve the Minutes of May 18, 2004, as amended and subject to the secretary's review. The motion passed unanimously (6-0-0).

REPORTS:

A. President: Mr. Ali introduced Mr. Iskander as the new president of the OA. He also said that the redevelopment of River Place would increase in importance over the next several months. He added that he talked to the County about the general land use plan in October /November. The second plan, he said, would identify what the community wants. Replying to Mr. Spell's question, Mr. Ali said that the County had a sector plan as well as an area plan. He also said that prices were up and a joint venture might be possible. He added that the most challenging point was how to proceed with the redevelopment of River Place.

B. Treasurer: Mr. Spell reported that it was the first full month in the new fiscal year. He said that the largest variance item is gas. In response to his question on the amount listed for meetings and reports, Ms. Cooper said that the figure might be wrong. Mr. Spell also said that \$1.2 million was in reserves. He said that upcoming projects were electric gear replacement, a plumbing study, and that the riser project was ongoing.

C. OA Representative: Mr. Iskander reported that to rebuild the Entertainment Center as it was, Balfour estimated a cost of \$327,000.00 and to rebuild with the new design would be \$977,000.00 or 3 times the amount budgeted. He also said that Balfour did not break down the costs. He added that although the existing electrical system was undamaged, Balfour recommended replacing it because it was old. Mr. Iskander also said that the costs included a code issued fire alarm system, a new HVAC system, and new electric feeds for equipment. He said that the architect threw in fancy features that had to be taken out and that major changes to the original would cost more. He added that changing the floor to concrete, re-doing the electricity, and installing a fire alarm system would be covered by insurance. He also said that Balfour would give a break down, the fancy stuff would be eliminated, and the Board would look at the resulting figures. Then, he said, the OA Board would either pay the difference or the center would be rebuilt as it was at no cost to the OA. He added that the demolition would take 3 - 4 weeks and the rebuilding would take 6 weeks. He said that an amount between \$200,000.00 - \$300,000.00 needed to be negotiated. Mr. Spell asked if each building could pay \$50,000.00. Mr. Fredericks said that most of the OA reserves were in parking. Ms. Cooper said that when residents ask about the Entertainment Center, she will reply that it will be completed 5 months from an unknown date.

NEW BUSINESS:

A. New Format for Board Package: Ms. Cooper said that the package would be in book form.

B. Update on Hiring: Ms. Cooper reported that she has interviewed 6 people and will be bringing back 2 or 3 for second interviews. In reply to Mr. Ali's question, Ms. Cooper said that it was taking a long time because people work and were not available.

C. Audit: Ms. Cooper said that the audit would begin the last week in June.

D. Banking: Ms. Cooper said that the banking report would take a while to work out.

UNFINISHED BUSINESS:

A. Flooring: Ms. Cooper referred the Board to the letter from the decorator. The Board then discussed the carpeting choices.

MOTION: Mr. Spell moved, Mr. Iskander seconded, to approve the purchase of the Asbury Park style carpeting for hallways with the same color in the border as the first choice and the second choice as is. The motion passed (5-2-0) with Mr. Malik in favor by email proxy and Mr. Fredericks and Ms. Shahade opposing.

Ms. Cooper also said that she would ask the carpet company to honor the original figure of \$95,000.00 in consideration of the long wait.

River Place North Housing Corporation

June 15, 2004

Page 4

B. Tiles: Ms. Shahade suggested buying tile and hiring an installer. Mr. Ali also suggested taking the decorator's recommendation.

MOTION: Ms. Shahade moved, Mr. Spell seconded, to purchase tile for all the elevator landings except the lobby, for an amount not to exceed \$10,000.00. The motion passed unanimously (6-0-0).

C. Lobby: Ms. Shahade suggested having a design in the center rather than all cream tiles. Ms. Cooper said the travertine would cost \$8,000.00.

MOTION: Mr. Iskander moved, Ms. Shahade seconded, to purchase tiles for the lobby with a design in the center at a cost not to exceed \$8,000.00. The motion passed unanimously (6-0-0).

D. Elevator Interiors: Ms. Cooper suggested proceeding with the Chesapeake package which includes flooring and is cheaper. She would ask if fans were included.

MOTION: Mr. Iskander moved, Mr. Spell seconded, to approve the Chesapeake for the cab interiors of the 3 elevators including ceilings, floors, and fans at a cost not to exceed \$38,000.00. The motion passed unanimously (6-0-0).

E. Security Cameras: Ms. Cooper reported receiving 3 very different bids ranging from \$12,000.00 to \$35,000.00. She said that she would narrow the specifications and send them out for bids again.

F. Office Relocation: Various suggestions for changes in the design were made by Board members.

MOTION: Mr. Iskander moved, Ms. Shahade seconded, to accept the design as modified by the President. The motion passed (4-2-0) with Mr. Spell and Ms. Joyner opposing.

G. In-Unit Air Flow Controls for Convectors: Ms. Cooper told the Board she would take the old convector covers to a metal fabricator to make a prototype for a door and a valve with a handle. She added that she would get prices. Mr. Spell said that \$500,000.00 was in reserves for refurbishment. Mr. Ali suggested being creative and getting a good contractor.

H. Design for Loading Dock: Ms. Cooper said there was no net gain in parking. She said the Fire Department wanted the island. Mr. Iskander suggested taking out 2 spots and putting in planters next to the oil tank. Ms. Cooper said that 2 spaces might be gained. She also said that although the cost of moving the Siamese hose connection was prohibitive, not moving it would eliminate parking spaces. She added that she would consult a plumber on where the connection goes.

I. Removal of Fan Equipment: Mr. Cooper recommended hiring Precision Mechanical to remove the old fan equipment.

MOTION: Mr. Iskander moved, Ms. Shahade seconded, to remove all the old fan equipment from the fan room for a price not to exceed \$6,000.00. The motion passed unanimously (6-0-0). Mr. Iskander then modified the motion to add \$1,000.00 to remove material from 1G. The motion was seconded by Ms. Shahade and passed unanimously (6-0-0).

J. Painting Stairwells: Mr. Iskander said that the painting was not professionally done. Ms. Cooper said that she would talk to the painter with his translator. Mr. Spell said that spalling problems from rusting rails needed to be addressed. Mr. Iskander said that a cosmetic job like this would last a year at most. Mr. Spell said that problem areas should be painted as needed. Mr. Iskander said that another problem is not having an exact match. Mr. Spell suggested not doing any more painting in the stairwells.

NEW BUSINESS:

A. Listing Agreement with Buck Commercial: Mr. Iskander suggested getting more bids and the architect should give specifications that were standard for commercial properties. He added that the agreement needed to be amended to \$21.00 per square foot. Mr. Ali also said that a range from \$21.00 to \$25.00 per square foot, for a 7 to 10 year term, and excluding janitorial services, parking and electricity should be added. Ms. Cooper also said that the commission should be reduced to 4.5%.

MOTION: Mr. Spell moved, Mr. Iskander seconded, to reduce the commission in the Buck Commercial agreement to from 3% - 4.5 %. The motion passed unanimously (6-0-0).

B. Clarification of Lease Terms: Ms. Cooper asked the Board to clarify lease terms. Mr. Spell said that the bylaws state that the minimum lease was one month, but he would check. Ms. Cooper said that the amendment of June 8, 1999, specified not less than one month. Mr. Spell said that the rules and regulations agreed with this amendment.

C. Agenda Item for Next Meeting: Mr. Spell suggested an agenda item of plumbing under the category of infrastructure.

ADJOURNMENT:

MOTION: Ms. Shahade moved, Mr. Iskander seconded, to adjourn the meeting at 9:20 p.m. and convene an Executive Session. There being no objections, the meeting was adjourned.

SUBMISSION OF MINUTES

Approved by:

Barbara Seaman
Recording Secretary

Sara Shahade, Secretary
River Place North
Housing Corporation