



Request for City Council Committee Action From the Department of Public Works

Date: July 15th, 2008

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Referral: Honorable Paul Ostrow, Chair Ways & Means Committee

Subject: **Lease for Office Space - 310 4th Avenue South**

Recommendation:

Authorize proper City officials to negotiate and execute a lease with Larson Properties, LLC for office space at the Flour Exchange building (310 4th Avenue South). Funding for this lease has been included in the current service level adjustments for 2009 in the Fire Department

Previous Directives:

- June 6, 2008 - Council action authorizing the City Attorney's Office move to City Hall

Prepared by: Gary Modlin, Facilities Manager – PW Property Services, 673-2721

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Gary Modlin, Facilities Manager – PW Property Services
Paul Miller, Senior Project Manager – PW Property Services

Reviews

Permanent Review Committee (PRC):	Approval	NA	Date
Civil Rights Affirmative Action Plan	Approval	NA	Date
Policy Review Group (PRG):	Approval	NA	Date

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget (If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Business Plan: Action is within the plan. Action requires a change to plan.
- Other financial impact (Explain): Funding is planned in the current service level adjustment for the Fire Department's operating budget for 2009.
- Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: Not Applicable
City Goals: Not Applicable
Comprehensive Plan: Not Applicable
Zoning Code: Not Applicable

Background/Supporting Information

The Strategic Space Plan for the downtown campus will relocate the City Attorney's Office (CAO) into the City Hall building at the conclusion of the CAO current lease in the Accenture building (333 South 7th Street) which is scheduled to expire in November of 2009. On June 6th the Council approved the required funding for the build out of the space and relocation costs. The CAO is envisioned to occupy the eastern half of second floor in City Hall as well as one level of the interior court addition.

In order to accommodate the CAO in City Hall the Panning Department recently relocated from the 2nd floor of City Hall to temporary offices in the Public Service Center. Also, by December of 2008, the Fire Department will need to be relocated to temporary offices in leased space.

It has been recommended by the Facilities, Space and Asset Management (FSAM) committee that a full floor (approximately 9,800 square feet) of the Flour Exchange Building be rented to accommodate the temporary office space needs for the Fire Department and other future swing space needs to continue the re-stacking of spaces in City Hall. The Strategic Space Plan calls for the Fire Department to move back into City Hall at the end of 2010. Additionally, FSAM recommends that the City negotiate future options in this building that may provide future opportunities to realign City departments and associated spaces.

It is anticipated that the costs will be approximately \$150,000 per year with yearly inflationary adjustments. The owner is requesting a six (6) year lease in order to recover the costs associated with tenant improvements required by the City. Funding for this lease has been included in the current service level adjustment for the Fire Departments operating budget for 2009.

Cc: Steve Bosacker
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