



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

**Date:** September 11, 2007

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

**Subject:** **Amendment to MCDA (CPED) Office Space Lease**

**Recommendation:** That the proper City officials be authorized to negotiate and execute an amendment to MCDA's (CPED) Lease Agreement that exists with Canal Street Limited Partnership allowing for the extension of the Sublease with Martin Bastian Productions, Inc. through August 31, 2016, which date is concurrent with MCDA/CPED's Master Lease for the office space located at the Crown Roller Mill. Revenue Funds for the amended lease will be deposited to Fund GENO 9CD999 3715.

**Previous Directives: (from MCDA)**

1. Approved sublease of Suite 150 with Martin Bastian for the term of May 1, 2002 to April 30, 2008.
2. Approved Amended and Restated Office Master Lease commencing January 24, 2001 (Martin Bastian sublease contained in Master Lease)
3. Original master lease approved and entered into on July 1, 1991

**Prepared by:** Julie McGuire, Supervisor Property Services, 673-5165

**Approved by:**

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

**Presenter:** Greg Goeke, Director of Property Services  
Jeff Schneider, Manager of Special Projects & Research (CPED)

Permanent Review Committee (PRC) Approval \_\_\_\_\_ Not applicable  X   
Policy Review Group (PRG) Approval \_\_\_\_\_ Not applicable  X

**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

Action requires a change to plan.

Other financial impact (Explain): Revenue to off set CPED debt on master lease.

### **Community Impact**

Neighborhood Notification: NA

City Goals: A Premier Destination – Retain & grow businesses in life sciences & the creative economy. Martin Bastian is a creative ad company which will be retained in the City of Minneapolis as a vital business.

Comprehensive Plan: NA

Zoning Code: NA

### **Background/Supporting Information**

The Community Planning & Economic Development Department (CPED), formerly known as the Minneapolis Community Development Agency (MCDA) has been located in office space at the Crown Roller Mill (105 5<sup>th</sup> Ave S) since July 1, 1991. Since the inception of their lease, Studio 150 located on the first floor, consisting of approximately 9,890 rentable square feet has been subleased to the current occupant, Martin Bastian Productions, Inc., a Minnesota corporation.

The current sublease will expire on April 30, 2008 and in order to retain current occupant, negotiations are necessary to ensure a timely transition and to be able to extend their sublease for approximately nine (9) years, which will conclude simultaneously with the MCDA (CPED) current Master Lease which expires on August 31, 2016.

Property Services recommends that proper City officers are allowed to enter into negotiations for an amendment to the current sublease with Martin Bastian to extend their sublease to August 31, 2016, thereby retaining their business in the City of Minneapolis and allowing CPED to off-set some of their current lease obligations under their Master Lease with Canal Street Limited Partnership.