



MAYOR & COUNCIL COMMUNICATION

DATE: August 19, 2014
REGULAR \$\$
ITEM #: 13
MOTION

AGENDA ITEM: Enter into a Lease with Lake Elmo Associates LLP for the purpose of leasing 2,461 sq. ft. of office space at 3880 Laverne Ave. North for the purpose of operating the City of Lake Elmo.

SUBMITTED BY: Dean Zuleger, City Administrator

THROUGH: Mayor Mike Pearson

REVIEWED BY: Mayor Pearson,
Council member Nelson,
EDA Member John Thompson, and
Finance Committee

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item City Administrator
- Report/Presentation.....City Administrator
- Questions from Council to Staff Mayor Facilitates
- Public Input, if Appropriate Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECCOMENDER: City Administrator

FISCAL IMPACT: \$2,461 per month / \$29,532 annually in 2015-16
\$2,666 per month / \$31,993 annually in 2017-18
\$2,769 per month / \$33,223 annually in 2019
Reduction in utilities allocated toward the annex

SUMMARY AND ACTION REQUESTED: Approval of a five year lease of 2,461 sq. ft. of office space (\$12 square foot triple net) AS IS with fixtures with the only utility costs to the City that of telephone and information technology. The City would also be offered a first right of refusal to purchase the building in the future. The recommended motion for this action is as follows:

“Approve the five year lease with Lake Elmo Associates LLP for certain rental space of 2,461 square feet in a building located at 3880 Laverne Avenue North for the purposes of improving office efficiency for the general administration for the City of Lake Elmo.”

LEGISLATIVE HISTORY: None

BACKGROUND INFORMATION: The City of Lake Elmo has outgrown its space in the current City Hall from a staffing, records management, and meeting utility usefulness. The Annex is a double wide trailer that does not meet code, is inefficient in HVAC function, and cannot maintain a level. The City is requesting leasing 2,461 square feet of space in the Brookview Building directly across from the current City Hall to house its Administrative function. The current City Hall would be used for the Community Development and Building Department. The annex would be razed. (see attached lease)

BACKGROUND INFORMATION (SWOT):

Strengths: Provides an affordable way to handle City growth and administrative services adding privacy, storage, and meeting efficiency. News offices are next to City’s contract engineers.

Weakness: City Departments are still separated by 500 feet causing an inordinate amount of travel to and from facilities.

Opportunities: Functionally handle the growth of the City without increasing the debt in infrastructure.

Threats: Building could be sold to another less civically minded entity and new space would have to be acquired / built after the five lease expires.

RECOMMENDATION: City Administrator, in concert with the Mayor / Council member Nelson recommends the following:

“Approve the five year lease with Lake Elmo Associates LLP for certain rental space of 2,461 square feet in a building located at 3880 Laverne Avenue North for the purposes of improving office efficiency for the general administration for the City of Lake Elmo.”