



Legislation Details (With Text)

File #: O-582-19 **Version:** 1 **Name:**
Type: Ordinance **Status:** Second Reading
File created: 11/25/2019 **In control:** Public Utilities Department
On agenda: 1/14/2020 **Final action:** 1/14/2020

Title: Authorizing the mayor to enter into a lease agreement with Water Street Development, LLC for approximately 22,000 square feet of office, storage and parking space at 811 Jefferson Avenue for the Division of Engineering Services for a term of twelve years, including three 5-year options to renew; authorizing the expenditure from the General Fund, the Street Construction, Maintenance and Repair Fund, the Capital Improvement Program Fund, the Water Operating Fund, the Sewer Operating Fund, and the Storm Water Utility Operating Fund; authorizing the expenditure for said lease; and declaring an emergency.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Attachment A, 2. Audio: Agenda Review 12/3/2019

Date	Ver.	Action By	Action	Result
1/14/2020	1	City Council		
1/14/2020	1	City Council		
1/2/2020	1	City Council		
12/10/2019	1	City Council		

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ENGINEERING SERVICES
Doug Stephens (x1006)

Authorizing the mayor to enter into a lease agreement with Water Street Development, LLC for approximately 22,000 square feet of office, storage and parking space at 811 Jefferson Avenue for the Division of Engineering Services for a term of twelve years, including three 5-year options to renew; authorizing the expenditure from the General Fund, the Street Construction, Maintenance and Repair Fund, the Capital Improvement Program Fund, the Water Operating Fund, the Sewer Operating Fund, and the Storm Water Utility Operating Fund; authorizing the expenditure for said lease; and declaring an emergency.

SUMMARY & BACKGROUND:

The Division of Engineering Services currently operates offices on the third floor of One Lake Erie Center, 600 Jefferson Ave., through a lease agreement with George F. Eyde Family, LLC which is due to expire on March 31, 2021. On or about January 1, 2018, a water leak that occurred within the leased premises caused damage to the property that requires restoration. The lessor does not have suitable space available to relocate the Division of Engineering Services in order for these damages to be restored; therefore, it has been agreed upon by both parties to terminate the lease early per Article 12.2 of said lease.

The Division has since located a suitable alternative location which includes approximately 22,000 square feet

of office and storage space as well as ample, secure parking. This property, located at 811 Jefferson Ave., Toledo, is available for lease, including 100 parking spaces, at an amount of \$38,914 per month for the first five years of the lease and then \$30,214 per month. This ordinance authorizes this lease amount as well as an annual increase in the common area maintenance (CAM) expenses, based on the consumer price index (CPI) capped at 2%.

The fiscal impact of this ordinance is as follows:

- The amount of funds requested: n/a
- The expenditure budget line item: 1001-35000-5651001STDSTD, 2014-35000-2442001STDSTD, 5040-35000-8C35000PROSUP, 6060-35000-4000512STDSTD, 6070-35000-4000508STDSTD, 607A-35000-4000552STDSTD
- New revenue generated (operational revenue, grants, if any): none
- Revenue budget line item (if any): none
- Are funds budgeted in the current fiscal year (yes/no)? no
- Is this a capital project (yes/no)? no
- If yes, is it new or existing (new/existing)? n/a
- What section of the City's Strategic Plan does this support:
 - o Excellence in Basic Services (yes/no) yes
 - o Quality Community Investment (Livable City, Development) (yes/no) yes
 - o Workplace Culture & Customer Service (yes/no) yes
 - o Environment (yes/no) no

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the mayor is authorized to enter into a lease agreement for approximately 22,000 square feet of office and storage space, in addition to parking space at 811 Jefferson Ave. with Water Street Development, LLC for the purpose of relocating the Division of Engineering Services. The lease agreement shall be for a term of twelve (12) years with three options to renew for a period of five (5) years each according to the terms and conditions outlined in the lease and deemed requisite by the mayor, the Director of Public Utilities, and the Law Director.

SECTION 2. That the rental rate for such space located at 811 Jefferson Ave. shall not exceed \$480,570 annually which includes common area maintenance (CAM) increases due to escalations in base operational expenses and parking expenses. A copy of which is attached hereto as Exhibit A. The division of the total cost will be based on annual approved budget allocations for full time equivalent (FTE) position allocations within each fund. This amount is authorized for expenditure with the annual funding allocation to be divided between the account codes listed below. Account codes to be utilized include the General Fund Account Code 1001-35000-5651001STDSTD, Street Construction, Maintenance and Repair Fund Account Code 2014-35000-2442001STDSTD, Capital Improvement Program Fund Account Code 5040-35000-8C35000PROSUP, Water Operating Fund Account Code 6060-35000-4000512STDSTD, Sewer Operating Fund Account Code 6070-35000-4000508STDSTD, and Storm Water Utility Operating Fund Account Code 607A-35000-4000552STDSTD. The remainder of the lease rental payments will be subject to the availability of funds in future years.

SECTION 3. That the cost for said lease rental shall be included in annual appropriations of the Division of Engineering Services as appropriate and that said expenditures are authorized as a continuing obligation, subject to future available appropriations.

SECTION 4. That the Finance Director is hereby authorized and directed to draw his warrant or warrants against the account codes as specified in Section 2 for the payment of the above authorized obligations upon presentation of proper voucher or vouchers.

SECTION 5. That this ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage. The reason for the emergency lies in the fact that the same is necessary for the immediate preservation of the public peace, health, safety and property, and for further reason that the ordinance must be immediately effective in order to allow for timely relocation of existing offices in order to maintain efficient operations.

Vote on emergency clause: yeas _____, nays _____.

Passed: _____, as an emergency measure: yeas _____, nays _____.

Attest: _____
Clerk of Council

President of Council

Approved: _____

Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by
Council _____.

Attest: _____
Clerk of Council