



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

Date: July 29, 2008
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral: Honorable Paul Ostrow, Chair Ways & Means Committee
Subject: **Lease of City Owned Office Space – 709 2nd Street South**

Recommendation:

Authorize proper City officials to negotiate and execute a six (6) – year lease to include renewal options with Froisatoni, LLC for office space in the Mill Quarter Municipal Parking Ramp (709 2nd Street South). Revenue from this lease will be deposited in the Parking Fund (Fund 07500 Department 685072R 685MILL).

Previous Directives:

None.

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

Approved by:

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

Presenters: Greg Goeke, Director of 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
 Action requires use of contingency or reserves
 Business Plan: Action is within the plan. Action requires a change to plan.
 Other financial impact (Explain):
 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 Mill Quarter Municipal Parking Ramp was designed and built to have a street level, store front office or retail space. The City has been approached by Cynthia Froid of Froisatoni, LLC about utilizing an 800 square foot space for their business needs.

Froisatoni, LLC is requesting a multi year lease with renewal options. They have requested the City prepare the space for their needs and is willing to sign a six (6) – year lease that would allow the City an opportunity to recoup its investment (\$30 per square foot) over time. They are willing to pay a market rate comparable with similar leased spaces in the area.

Property Services is recommending a new six (6) – year lease to include renewal options be negotiated and executed with Froisatoni, LLC, and request that proper City Officials be authorized to negotiate and execute an agreement.

Revenue from this lease will be deposited in the Parking Fund (Fund 07500 Department 685072R 685MILL).

c.c. Jon Wertjes, Director Traffic and Parking Services
Mike Sachi
Josh Davis
Tim Blazina