

# Business Item 2020-144: **Extension of Metro 94 Facilities Leases**

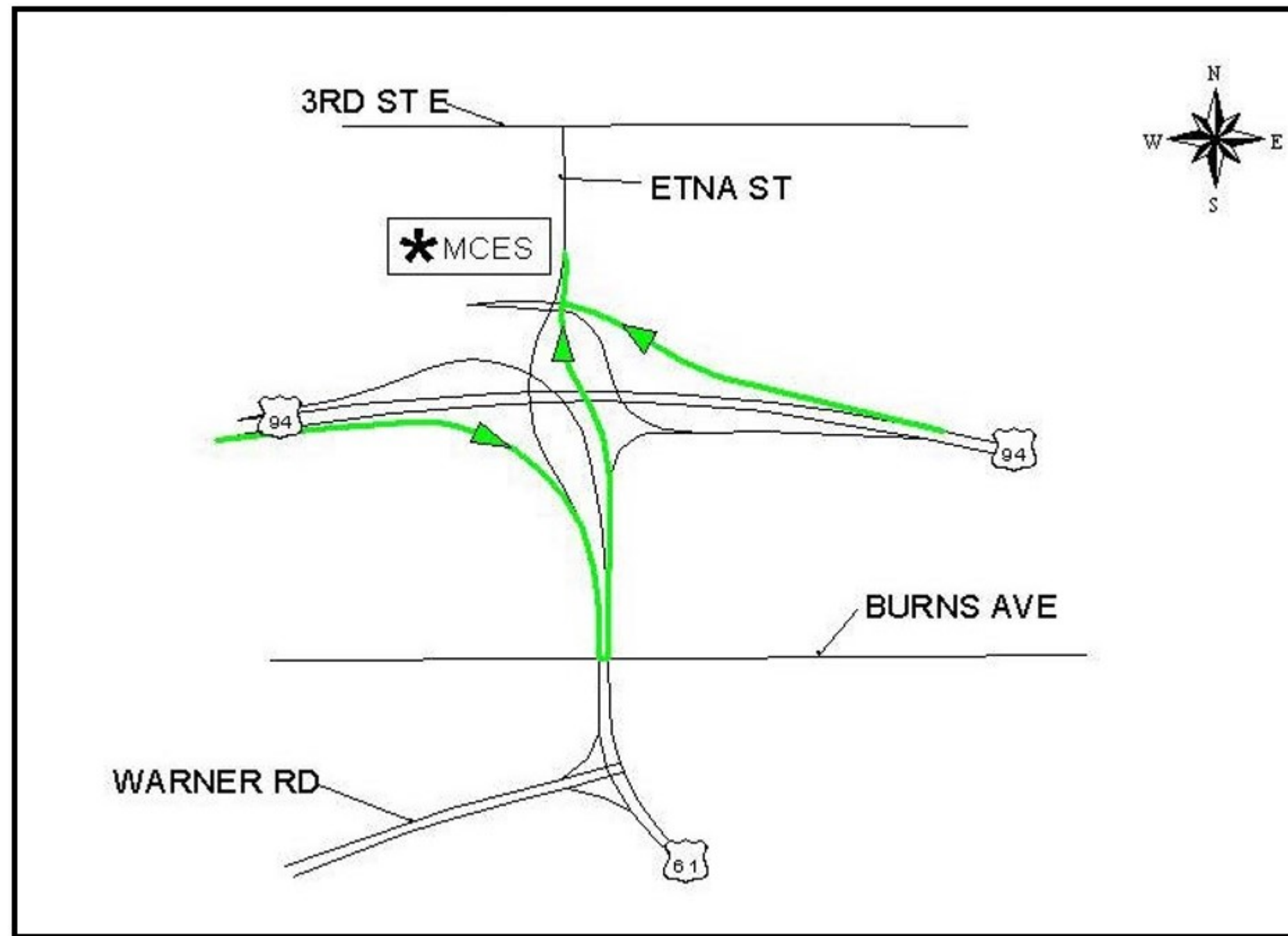
Tina Nelson, Assistant Manager, Industrial Waste & Pollution Prevention

Environment Committee: May 12, 2020



# Why we are here

- Current lease for Metro 94 expires on June 30, 2020
- New lease extends occupancy to June 30, 2025
- Plan to move into Services Building at the Metro Plant in 3-4 years





# Background

- MCES has leased the space since 1990
- This is the fifth amendment to the original lease
- Space used by Industrial Waste & Pollution Prevention and Air Quality
- Space suits our needs:
  - Analytical lab for compositing samples
  - Large garage for vehicle and equipment storage
  - Locker rooms for showering and uniform storage for field technicians
  - Analytical and odor laboratories used by Air Quality
  - Large meeting spaces used by all Metropolitan Council with free parking

# Financial Impact

- Total Cost Over Five Years: \$1,300,000
  - Base Rent
  - Common Area Maintenance
  - Real Estate Taxes
- Base rent fixed rate increase of 2.5% annually on July 1
- Other charges limited to a maximum 2.5% increase annually on January 1

# Lease Terms

- Five-year term with options to terminate early with penalty
  - Option 1: Terminate at 36 months with \$9100 penalty
  - Option 2: Terminate at 48 months with \$4800 penalty
- Landlord will perform small tenant improvements in Suite 34
- All utilities are paid by MCES
  - Natural gas, electricity, water/sewer service
  - Janitorial services
  - Trash removal

# Proposed Action

- That the Metropolitan Council authorizes the Regional Administrator to amend and execute a sole source contract extension of the Metro 94 facilities lease (Contract 09P158) for MCES business use with Bachmeier Corporation in an amount not to exceed \$1,300,000 for the term of July 1, 2020 until June 30, 2025.

# Questions

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