

Legislation Text

File #: 24-0033, **Version:** 1

Item Description:

Neg Amd 2 to Lease Agmt A070387 with Metro Ventures, LLC, for rental space at 4336 Lyndale Avenue North, Minneapolis, ext end date to 08/31/29 (\$166,232 first year rent and operating costs)

Resolution:

BE IT RESOLVED, that Amendment 2 to Lease Agreement A070387 with Metro Ventures, LLC for 8,800 square feet of rental space utilized by the Department of Community Corrections and Rehabilitation located at 4336 Lyndale Avenue North, Minneapolis, extending the contract period from September 1, 2024 to August 31, 2029, in the amount of \$166,232 first year rent and operating costs, with annual adjustments in base rent and operating costs, be approved; that the Chair of the Board be authorized to sign the amendment on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:

Since 2009, the Department of Community Corrections and Rehabilitation (DOCCR) has operated the Adult Probation Center North office in 8,800 square feet of space located at 4336 Lyndale Avenue North, Minneapolis. The current term ends on August 31, 2024 and the department recommends retaining the space. The county renewed the lease for five (5) years in 2014 through August 31, 2019 (Resolution 14-0169) and extended the lease for five (5) years in 2019 through August 31, 2024 (Resolution 19-0102).

Amendment 2 to Lease Agreement A070387 with Metro Ventures, LLC will extend the lease five (5) years from September 1, 2024 through August 31, 2029. The County will retain the right to cancel the lease with no penalty at any time during the five (5) year extension period with 120 days' written notice to the landlord.

First year's base rent will increase from the current rate of \$8.50 per square foot (\$74,800 annual) to \$8.60 per square foot (\$75,680 annual) and will increase \$.10 per square foot (\$880 annually) each year during the five-year renewal period. Operating expenses are estimated to be \$10.29 per square foot (\$90,552 annual) for the first year and will be adjusted annually to reflect actual costs. Operating expenses include common area maintenance, insurance, janitorial services, and applicable taxes. The County pays directly for utilities.

Current Request:

The department seeks authorization to negotiate Amendment 2 to Lease Agreement A070387 with Metro Ventures, LLC for 8,800 square feet of space located at 4336 Lyndale Avenue North, Minneapolis, extending the contract period from September 1, 2024 to August 31, 2029, in the amount of \$166,232 first year rent and operating costs.

Impact/Outcomes:

Approval of Amendment 2 to Lease Agreement A070387 will allow DOCCR to continue to provide probation services to clients living in the areas of North Minneapolis and northern suburbs.

Recommendation from County Administrator: Recommend Approval