



## Legislation Text

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File #: 09-1076, Version: 1

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### Resolution to Approve Lease Renewal Agreement with Dahlmann Properties, Ltd. for Space in the City Center Building for One Year (\$302,716.80) **(8 Votes Required)**

The attached resolution will approve a lease renewal agreement for office and storage space in the City Center Building owned by Dahlmann Properties, Ltd.

The City of Ann Arbor has leased office and storage space in the City Center Building at 220 East Huron since 1995.

This lease renewal agreement renews the rental terms and conditions for space leased on the seventh floor for office space (10,000 square feet) to house Human Resources and Public Services Administration, the first floor for office space (5,400 square feet) to house the Customer Service Center and an additional 1,300 square feet of storage space in the City Center Building.

This one-year lease period will be December 1, 2009 through November 30, 2010. The City shall pay a base rent of \$302,716.80 payable in monthly installments of \$25,226.40 per month. This includes a 1.5 % reduction over the amount being paid for the December 1, 2008, through November 30, 2009 term.

Prepared by: Marti Praschan, Financial Manager, Public Services

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, The City of Ann Arbor has leased office and storage space in the City Center building at 220 East Huron since 1995;

Whereas, The Fourth Amendment to the Lease, which was effective December 1, 2006, integrated all the terms and conditions pertaining to all of the office space occupied by Human Resources, Public Services Administration and Customer Service and to the storage space occupied by the City;

Whereas, The Lease, as amended, grants the City an option to renew the Lease term for three one-year periods after December 1, 2009;

Whereas, This proposed lease renewal will continue the lease of the seventh floor office space (10,000 square feet) to house Human Resources and Public Services Administration, the first floor office space (5,400) square feet) to house the Customer Service Area and 1,300 square feet of storage space under the existing terms of the Lease, as previously amended, including the provisions for rent calculation and payment;

Whereas, The lease renewal period will be December 1, 2009 through November 30, 2010;

Whereas, The City will pay a base rent of \$302,716.80 for the renewal period, payable in monthly installments of \$25,226.40; and

Whereas, Funds are available from the approved FY10 and proposed FY11 Public Services Area Administration Unit, Facilities Maintenance and Customer Services Unit operating budgets if so approved by Council;

RESOLVED, That City Council approve the lease renewal agreement with Dahlmann Properties, Ltd., effective December 1, 2009, in the amount of \$302,716.80;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the lease agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That Council authorize the City Administrator to take the necessary administrative actions to implement this resolution.