



## Legislation Text

---

**File #:** 09-0196, **Version:** 1

---

Resolution to Approve Amendment No. 1 to Sublease Agreement Between Washtenaw County and the City of Ann Arbor (15th District Court Offices) (8 Votes Required)

The attached resolution approves amendment retroactively to January 1, 2009, of the sublease between the County and the City for courtroom and office space for 15th District Court within the Washtenaw County Courthouse.

On December 15, 2006, the Washtenaw County Board of Commissioners passed Resolution No. 06-0036 approving amendment of the then current sublease which extended the lease term through December 31, 2009 and disallowing any grant of hold-over status to the City beyond the specified date.

Since that time, the City has explored several options relating to Courthouse and office space for 15th District Court. During that period, no action was taken to accept or reject the limited extension option offered by the County. The extension offer remains valid.

The sublease agreement with the County expired on December 31, 2008. The City is currently occupying the space as a hold-over tenant under the original terms of the sublease. Approval of the sublease amendment will guarantee the lease term through December 31, 2009 and establish the building operation charge for that period.

Under the terms of the Sublease, the City pays a monthly Buildings Operation Charge. That charge is calculated annually by the County based on a fiscal year (July 1-June 30) rather than a calendar year. For the period July 1, 2008 to June 30, 2009, the monthly charge was established at \$26,829.50 per month/12 months total \$321,954.00. This represented an increase of approximately 6% from the previous year. The Building Operation Charge for July 1, 2009 through June 30, 2010 has not yet been established by the County. It is anticipated that a similar percentage increase will be implemented.

Funding for the Building Operation Charge are included in the approved FY 09 15th District Court budget for the first six months of the lease term. The FY 10 proposed budget for 15th District Court includes \$325,000 to cover Building Operation Charges for the remainder of the lease term including any percentage increase that may be implemented by the County.

Prepared by: Keith Zeisloft, District Court Administrator. Mary Joan Fales, Senior Assistant City Attorney

Approved by: Roger W. Fraser, City Administrator

Whereas, The Washtenaw County Board of Commissions Resolution No. 06-0036 approved extension of the sublease with the City of Ann Arbor for 15th District Court courtroom and office space within the Washtenaw County Courthouse for the period January 1, 2009 through December 31, 2009 at the current building operations charge for occupancy of Courthouse space;

Whereas, After being fully apprised of all available options, the City Administrator recommends to

City Council acceptance of the extension of the sublease on the terms and conditions offered;

Whereas, Sufficient funds currently exist in the approved FY 09 budget for 15th District Court to meet the building operations charge as established by the County for the lease term from January 1, 2009 through June 30, 2009; and

Whereas Funds will be budgeted in the proposed FY 10 budget for 15th District Court to meet the anticipated Building Operation Charge for the remainder of the lease term from July 1, 2009 through December 31, 2009;

RESOLVED, That City Council approve Amendment No. 1 to the Sublease Agreement between Washtenaw County and the City of Ann Arbor for occupancy of the Washtenaw County Courthouse by the 15th District Court for the period January 1, 2009 through December 31, 2009; and

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the sublease amendment after approval as to substance by the City Administrator and approval as to form by the City Attorney.