



## Legislation Details (With Text)

<b>File #:</b>	19-117	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Agreement	<b>Status:</b>		Approved	
<b>File created:</b>	4/10/2019	<b>In control:</b>		City Council	
<b>On agenda:</b>	4/23/2019	<b>Final action:</b>		4/23/2019	
<b>Title:</b>	Communication from the City Manager and Assistant City Manager with a Request to APPROVE a New LEASE AGREEMENT with the TRI-COUNTY REGIONAL PLANNING COMMISSION for the Period of Five Years beginning August 1, 2019, for a Portion of the Property Located at 456 FULTON STREET SUITE 401 and a Portion of SUITE 405 and Authorize the City Manager to Negotiate Final Terms and Execute the Document. (Council District 1)				

### Sponsors:

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### Code sections:

**Attachments:** 1. AGMT NO 19-117, 2. DRAFT 2019 - Lease Agreement\_City of Peoria\_Twin Towers

Date	Ver.	Action By	Action	Result
4/23/2019	1	City Council	approved	Pass

### ACTION REQUESTED:

Communication from the City Manager and Assistant City Manager with a Request to APPROVE a New LEASE AGREEMENT with the TRI-COUNTY REGIONAL PLANNING COMMISSION for the Period of Five Years beginning August 1, 2019, for a Portion of the Property Located at 456 FULTON STREET SUITE 401 and a Portion of SUITE 405 and Authorize the City Manager to Negotiate Final Terms and Execute the Document. (Council District 1)

### BACKGROUND:

At Council's direction, the City issued a Request for Proposals (RFP) regarding the lease of the Twin Towers office space in November of 2013. In 2014, the Tri-County Regional Planning Commission (TCRPC) submitted a proposal to rent approximately 4,273 square feet of space at a rate of \$8.00 per square foot (\$2,848 per month). They also pay for any utility, insurance and janitorial costs for the rented space. They propose a five-year lease with an option to renew after four years.

This lease is expiring and after discussions with internal staff who are familiar with the space and had consulted their connections in the real estate market, we proposed an increase to a rate of \$8.285 per square foot or \$2,950 per month for the next five years. TCRPC has accepted the new rate.

TCRPC would occupy the space that formerly housed the Inspections Department, including the Director's office at the front of the space (Suite 401). The entire leasable space is about 15,000 square feet, which would leave about 10,000 available to lease to another entity. Given that there are two doors to the full office space, dividing this space for TCRPC still allows for other tenants.

TCRPC built a wall to separate their space from the remainder. They have also made other improvements to create additional walled offices. TCRPC also uses the conference room in Room 420 three times per month for meetings. Those meetings are scheduled around City needs for that space.

**FINANCIAL IMPACT:** TCRPC has accepted an increased rent of \$8.285 per square foot or \$2,950 per

month. At that rate for 4,273 square feet, the total City revenue would be \$35,400 which is an annual increase of about \$1,200. The City owns all of Suite 401 and pays a Condominium / Maintenance fee of \$959 per month. The lease with the TCRPC more than covers City costs for both the leased and unleased portion of Suite 401.

**NEIGHBORHOOD CONCERNS:** Not applicable

**IMPACT IF APPROVED:** The City Manager would finalize and execute lease documents on the terms outlined above.

**IMPACT IF DENIED:** TCRPC would be notified that the City will not be offering a new lease and need to plan for a move.

**ALTERNATIVES:** The City Council could outline different terms to be negotiated.

**EEO CERTIFICATION NUMBER:** Not Applicable.

**WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2017 - 2032 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?**

1. Financially Sound City

**WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?**

1. Have an efficient government.

**DEPARTMENT:** City Manager's Office