



City of Grand Island

Tuesday, May 23, 2006

Council Session

Item G8

#2006-160 - Approving Renewal of Lease Agreement for One-Stop Workforce Development Center

Staff Contact: Dale Shotkoski

Council Agenda Memo

From: Dale M. Shotkoski, Interim City Attorney

Meeting: May 23, 2006

Subject: Second Lease Addendum for the Nebraska Department of Labor for the One Stop Center

Item #'s: G-8

Presenter(s): Dale M. Shotkoski, Interim City Attorney

Background

The City of Grand Island, in partnership with the State of Nebraska, Department of Labor, in 2001, entered into a lease agreement allowing the State of Nebraska to lease a city facility for a period of five years, which lease contained a provision for an extension of the lease for a period of an additional five year term if the lessee, the State of Nebraska, fully complied with all the terms of the first lease renewal.

Discussion

The State of Nebraska has complied with the original lease thus allowing them to request the extension for an additional five years, which request was made. Discussions have been held between city officials and state officials concerning the actual number of square feet being used at the One Stop Center and cooperatively, the space is being shared as needed. Conference rooms, furnished by the State of Nebraska, have been made available for city use and storage space, not currently counted as square feet in the lease, is being occupied by the State. The lease extension is formally for 9,572 square feet of space at \$8.71 per square foot for an annual cost of \$83,372.12 to be paid in monthly installments of \$6,947.68. The actual number of square feet currently occupied by the State may be closer to 14,000 square feet, however, the state officials have agreed that if the space requirements are needed for city use, that the storage areas would be vacated by the State at on as needed basis for the city. It is recommended that the Second Lease Addendum, which equates to a rental increase of 9% for the State of Nebraska to continue its occupancy at the One Stop Center be approved.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the Second Lease Addendum be approved.

Sample Motion

Motion to approve the Second Lease Addendum between the State of Nebraska, One Stop Center and the City of Grand Island.

STATE OF NEBRASKA

**2nd LEASE ADDENDUM
CA-65010223**

Pursuant to the terms of the Lease Agreement (CA-65010223, previously referred to as CA-90102) and subsequent Addendum for the rental space occupied by the Department of Labor at the below described address:

**1306 West 3rd Street
Grand Island, Nebraska 68801**

The Lessor, Lessee and Tenant Agency hereby agree that said lease term shall be extended for five (5) years commencing **July 1, 2006** and expiring **June 30, 2011**, at an annual cost of **\$ 83,372.12** to be paid in monthly installments of **\$ 6,947.68**. (9,572 square feet of space at \$8.71 per square foot.)

No Cause. Lessor and Lessee shall have the right of cancellation of this Lease Agreement, for any reason whatsoever, including no reason, upon giving a six (6) month notice of such cancellation in writing to the other party.

All other terms and conditions of said Lease Agreement and subsequent Addendum shall remain the same and are hereby ratified and confirmed.

APPROVED:

Lessor
City of Grand Island
Authorized Representative

Date

Lessee
Director, Department of Administrative Services

Date

Lessee
Administrator, State Building Division
Department of Administrative Services

Date

RESOLUTION 2006-160

WHEREAS, on January 23, 2001, by Resolution 2001-35, the City Council of the City of Grand Island approved a Lease Agreement with the State of Nebraska Department of Administrative Services for the use of the building at 1306 West Third Street as a One-Stop Center; and

WHEREAS, on July 24, 2001, by Resolution 2001-193, the City Council of the City of Grand Island approved an amendment to the Lease Agreement to reflect additional rent required based on square footage of space being utilized; and

WHEREAS, the Lease Agreement is scheduled to expire in June, 2006; and

WHEREAS, the State of Nebraska Department of Administrative Services has requested that the lease agreement be renewed with a 9% increase in rent and to continue all other terms and conditions; and

WHEREAS, the proposed 2nd Lease Addendum has been reviewed and approved by the Interim City Attorney.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the 2nd Lease Addendum to the One-Stop Center located at 1306 West Third Street is hereby approved to allow a five-year extension to the lease with the State of Nebraska Department of Administrative Services for such space.

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Adopted by the City Council of the City of Grand Island, Nebraska, May 23, 2006.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
May 17, 2006	☐ City Attorney