

Legislation Text

File #: Resolution 56-2017, **Version:** 1

Agenda Date: 12/19/2017

Subject:

A resolution to approve the release of funds in accordance with a 2018 budget proviso and the approval of a lease agreement for fire office space at 1221 W. Mineral Avenue.

Presented By: Keith Reester, Public Works Director
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POLICY QUESTION:

Does city council support a resolution to release funds in accordance with a 2018 budget proviso for leasing additional office space for Fire Permit Plan Review staff and approve the extension of a lease for fire administration staff?

BACKGROUND:

The Littleton Center was constructed in the late 1970's when office planning and space utilization differed greatly from today's workplace needs; as an example, computers were not even considered when designing this building. In 2014 a Space Needs Assessment was completed for the Littleton Center with an option that was based on adding a significant addition and upgrade to existing facilities for a cost of over \$11 million. This space study did not incorporate any planning for interim needs or short-term solutions. In the fall of 2017, staff began to explore a few options to address some of the space issues at the Littleton Center. These included:

- Relocation of Fire Permit Plan Review staff to the office building at 1221 West Mineral Avenue where Fire Administration is located.
- Determination of the potential utilization of Geneva Lodge for city office space.
- Exploration of options for realignment of space in the Littleton Center for improved operations.
- Council provided a budget proviso to seek options before releasing \$115,000 in funds to support the Fire Permit Plan Review staff relocation.

Fire Permit Plan Review Staff Space

Staff has worked with the landlord at 1221 West Mineral Avenue to relocate Fire Permit Plan Review staff. A 12- month lease, commencing on January 1, 2018 and ending on December 31, 2018, will cost \$3,028 per month, for a total of \$36,336 for the year. This is within the budgeted amount of \$40,000.

The relocation of Fire Permit Plan Review staff provides several positive benefits:

- Colocation of all fire administration staff creates greater efficiency in operations.
- Relocation opens several hundred square feet of space within the Littleton Center. In addition, a

reallocation of the current employees allows for greater space efficiency. The current square footage per employee within this suite is greater than 200% more than all other locations within the building.

- Fire Permit Plan Review has very limited walk-in traffic and most reviews are done electronically, so there is minimal impact on customer-facing operations by relocating to the Mineral Avenue location.

Additionally, it has been determined that the current lease extension for the existing fire office space in the Mineral Avenue building was never completed. Council will need to consider extending the lease for the current Fire Administration space. The terms of extending the current lease are a 12- month lease, commencing on January 1, 2018 and ending on December 31, 2018, with monthly rent being \$5,403 for January and February 2018, and \$6,250 for March through December 2018, for a total of \$73,306 for the year. This is within the budgeted amount of \$75,000.

Geneva Lodge

The current tenant in Geneva Lodge is Fisher Associates. They do not currently occupy the space but have sub-leases with two firms, one architectural and one financial. The lease expires in 2020. The city's annual lease revenue for 2018 will be \$102,756. Fisher Associates has indicated that at the termination of the current lease they will not renew. Council also asked staff to explore a lease buyout. Assuming a direct cost buyout for the remainder of the lease, including the 4% annual increase, the buyout figure totals \$320,760. There are currently no funds budgeted for a buyout of this magnitude.

Staff recommends allowing the current lease for Geneva Lodge to run to term and at that time consider taking advantage of the additional space available for Littleton Center needs.

Littleton Center Space Needs

In the fall the city contracted with Stantec (RNL Design) to assess current space issues and options at the Littleton Center. This project includes basic work which does not exist for any city buildings, CAD (computer-aided design) drawings, detailed space measurements, and a furniture inventory. The design team is working on developing multiple options that range from more "greenfield" space planning that would include significant interior modifications to realign space, to "plug and play" options that allow space and workgroups to be realigned with less invasive work needed. The first round of design ideas was delivered on December 1st, and additional options are due for delivery soon.

These space options are focusing on increased customer service opportunities, enhanced teamwork within the organization, and security hardening of the space related to modern security needs.

Based on the significant space needs of employees who work in the Littleton Center, the relocation of Fire Prevention to the Fire Administration space allows a far greater number of options within Littleton Center.

STAFF ANALYSIS:

These space options are focusing on increased customer service opportunities, enhanced teamwork within the organization, and security hardening of the space related to modern security needs.

Based on the significant space needs of employees who work in the Littleton Center, the relocation of Fire Prevention to the Fire Administration space allows a far greater number of options within Littleton Center.

Staff recommends signing a new lease extension for the existing fire space at 1221 West Mineral Avenue and consolidation of Fire Permit Plan Review with Fire Administration at this location.

OPTIONS/ALTERNATIVES:

1. Approve resolution and lease agreement for current and additional space.
2. Approve lease agreement for current space with no additional space
3. Not approve resolution or lease in full and fire administration will be required to relocate to a different location yet to be determined, likely at additional costs.

FISCAL IMPACTS:

Leased space for fire administration will be \$73,306 for the 12-month lease term beginning on January 1, 2018 and ending on December 31, 2018. \$75,000 is in the 2018 budget for this lease.

Additional space for Fire Permit Plan Review staff will be \$36,336 for the 12- month lease term, beginning on January 1, 2018 and ending on December 31, 2018. The release of the budget proviso will allow \$40,000 for this lease. The remaining \$75,000 will be used for additional furniture and other relocating costs, should they arise.

STAFF RECOMMENDATION:

Staff recommends approval of the resolution releasing the \$115,000 in 2018 budgeted funds to support relocation of Fire Permit Plan Review to 1221 West Mineral Avenue.

Staff recommends approval of a lease extension for the existing Fire Administration space at 1221 West Mineral Avenue.

PROPOSED MOTION:

I move to approve the resolution to release funds in accordance with a 2018 budget proviso for leasing additional space for Fire Permit Plan Review staff and approve the extension of a lease for fire administration staff.