



ADVISORY INFORMATION

Date:	July 7, 2008
Subject:	Authorization to amend lease agreement between Metropolitan Council and Griggs Midway Corporation
District(s), Member(s):	All
Policy/Legal Reference:	Council Policy 3-3 Expenditures, Federal Transit Administration (FTA) Circular 4220.1d Third Party Contracting Requirements
Staff Prepared/Presented:	Brian J. Lamb, General Manager, 612-349-7510 Mark W. Fuhrmann, Deputy General Manager, 651-602-1942 Gary Berger, Administrative Manager-TSD, 651-602-1945
Division/Department:	Metro Transit

Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to negotiate and execute an amendment to the Lease Agreement between the Council and Griggs Midway Corporation to include an additional 6,500 sq. ft. for two years at a cost of \$122,276 for the first year, \$86,443 for one-time leasehold improvements, and \$124,280 the second year.

Background

On May 23, 2007, the Metropolitan Council authorized the Regional Administrator to negotiate and execute a lease agreement with Griggs-Midway Corporation to provide an office for Central Corridor Light Rail Project staff. The current lease agreement provides 20,000 sq. ft. at \$18.75 per sq. ft. for a monthly cost of \$31,250 and an annual cost of \$375,000. Since move-in on October 1, 2007, CCPO space has served 91 Council and consultant staff in the Griggs Midway building. The Project is realizing work efficiencies of physical co-location of human and data resources.

Rationale

The current 20,000 sq. ft. of space at the Central Corridor Project Office (CCPO) has reached capacity in Griggs Midway building. By the end of 2008, 26 additional consultant and council staff will join the Project Office (12 consultant staff; 14 Council staff). This will require 6,500 sq. ft of expansion space at \$18.75 per sq. ft. (\$10,156 monthly) from November 1, 2008 through August 31, 2009. Starting September 1, 2009, the rate will increase to \$19.12 per sq. ft. (\$10,357 monthly). The total lease cost will be \$122,276 for the first year. The CCPO is proposing a two-year lease for this additional space. The unit cost for the second year will remain \$19.12 per sq. ft. for an annual total of \$124,280. Preliminary engineering and final design phases of the project are when office space is most intensively used. As the project moves into the construction phase in 2010, the number of engineers and design staff will decrease eliminating the need for the extra space.

Co-locating Council and consultant staff at the Project Office provides a high level of efficiency and teamwork that we need for the aggressive preliminary engineering and final design schedule. In addition, co-location is particularly important due to the size and scale of data and the coordinated electronic filing, storage and review of project documents, reports, and presentations.

Funding

Funds are provided through the 2008 FTA New Starts grant in the amount of \$10,192,000.

Known Support / Opposition

None