

T Transportation Committee

Item: 2010-204

Metropolitan Council meeting: June 9, 2010

Consent

Date
Prepared: May 11, 2010

Subject: **Authorization to Amend Lease Between Metropolitan Council and Griggs Midway Corporation**

Proposed Action:

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a second amendment to the lease agreement between the Metropolitan Council and Griggs Midway Corporation to exercise options for leasing a 6,500 sq. ft. area for the 28-month period from September 1, 2010 through December 31, 2012 in an amount not to exceed \$273,522.

Summary of Committee Discussion / Questions:

Mark Fuhrmann presented the item. Councilmember Beach asked how the rent compares to the 'going rate' now. Fuhrmann answered that this is a favorable rate for a Class B+ facility. Motion made by Councilmember Hilker, seconded by Councilmember Leppik, and approved unanimously. This will go as a consent item on the Council agenda.

T Transportation Committee
Meeting Date: May 24, 2010

Metropolitan Council Meeting: June 9, 2010

ADVISORY INFORMATION

Date:	May 17, 2010
Subject:	Authorization to Amend Lease Between Metropolitan Council and Griggs Midway Corporation
District(s), Member(s):	All
Policy/Legal Reference:	Council Policy 3-3 Expenditures, Federal Transit Administration Circular 4220.1F Third Party Contracting Guidance
Staff Prepared/Presented:	Brian Lamb, General Manager, 612-349-7510 Mark Fuhrmann, Deputy General Mgr, 651-602-1942
Division/Department:	Metro Transit / Central Corridor Project Office

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a second amendment to the lease agreement between the Metropolitan Council and Griggs Midway Corporation to exercise options for leasing a 6,500 sq. ft. area for the 28-month period from September 1, 2010 through December 31, 2012 in an amount not to exceed \$273,522.

Background

On May 23, 2007, the Metropolitan Council authorized the Regional Administrator to negotiate and execute a lease agreement with the Griggs Midway Corporation to provide 20,000 sq. ft. of office space for the Central Corridor Project Office (CCPO) through 2014. On August 13, 2008, the Metropolitan Council authorized the Regional Administrator to negotiate and execute an amendment to that lease agreement to add 6,500 sq. ft. for two years (2008-2009 and 2009-2010), which expires on August 31, 2010. The current lease agreement for the total 26,500 sq. ft. area of CCPO is \$19.12 per sq. ft. for a total annual cost of \$889,080 (\$764,800 for the 20,000 sq. ft. area and \$124,280 for the 6,500 sq. ft. area).

Rationale

The lease amendment for the addition of 6,500 sq. ft. in August 2008 was limited to two years based on estimates for co-locating agency and design consultant staff through Final Design. At that time, it was assumed that construction field staff would locate primarily in construction field trailers. Construction contract specifications, which are more fully developed since 2008, indicate that CCPO (at 540 Fairview Ave.) will be a more effective central location for more construction personnel and for construction management oversight activities than had been estimated in 2008. The lease for the 6,500 sq. ft. area would be renewed at the current rate of \$19.12 per sq. ft. for the additional two-year term through August 31, 2012, and at \$19.50 per sq. ft. for the four-month period September 1 to December 31, 2012. Approval of this lease amendment would allow for continuation of the cost-benefits of co-locating design consultants with agency staff. In addition, the current lease agreement provides a credit of \$8,644 per year or a total of \$17,288 to exercise the annual options in 2010-2011 and 2011-2012. This credit is included in the annual estimate of \$115,636 per year. The original lease for the 20,000 sq. ft. area remains in force and is not affected by this authorization.

Funding

The CCLRT Project has available funds from the Counties Transit Improvement Board, Regional Rail Authorities, and 2009 FTA New Starts grant.

Known Support / Opposition

No known opposition.