

Department of Public Works

City Hall
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Racine, Wisconsin 53403
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John C. Rooney, PE
Commissioner of Public Works/City Engineer

Thomas M. Eeg, P.E.
Asst. Comm. of Public Works/Operations

December 5, 2019

Legistar Item: 1269-19

Alderman John Tate, II, Chairman
Public Works and Services Committee
Racine, WI

Re: **2020 Lease Agreements** for Office Space

Dear Alderman Tate:

Submitted for your review and approval are lease agreements for the use of office space in City Hall, City Hall Annex and the Safety Building. These leases are with entities outside the City and City-functions that are either grant-funded or enterprise functions.

Due to the maintenance and utility costs associated with our facilities, we will need to initiate a fee for the Racine Concert Band and Toys For Tots, who occupy space in the lower level of the City Hall Annex. Historically, there has been no charge for these office areas, but we do need to initiate this lease fee to cover these facility costs. I am recommending that the 2020 rate be set at \$0.50 per Square Foot for these 2 office areas, which will result in Racine Concert Band having a \$320 Annual Fee and Toys For Tots having a \$5,466 Annual Fee in 2020. In the following years, I would recommend that the rates be adjusted to match the rate the other non-profit organizations pay for office areas.

I am proposing that all leases be increased by **2.9%** over this year's rate based upon the Consumer Price Index variances shown in the attached calculation document.

The attached summary lists the various lessees, space occupied and proposed rate for each of the leases being considered for renewal. I would recommend that the leases be renewed for the next calendar year at the rates listed. These leases will generate a total revenue of **\$132,734.93**.

Sincerely,



Thomas M. Eeg
Assistant Commissioner of Public Works/Operations

Attachment

TME:njp

Cc: John Rooney
Jim Palenick
Dave Brown

PROPOSED CITY HALL & CITY HALL ANNEX LEASE CONTRACTS Jan-20

LESSEE	BUILDING	ROOMS	SQ. FT.	BASE RATE	SUR-CHARGE	TOTAL RENTAL RATE	LEASE PERIOD	TOTAL INCOME
RACINE CONCERT BAND	Annex	17	640	0.5	0	0.50	JAN-20 DEC-20	320.00
RACINE SYMPHONY	Annex	120	478	4.94	0	4.94	JAN-20 DEC-20	2,361.32
CHORAL ARTS SOCIETY	Annex	122	500	4.94	0	4.94	JAN-20 DEC-20	2,470.00
WATER & WASTEWATER	Annex	223/227	3958	15.68	0	15.68	JAN-20 DEC-20	62,061.44
	0	229/231	0	0	0	0		-
	0	226	497	1.49	0	1.49	Lump Sum	740.53
	0	0	(storage)	0	0	0	TOTAL	62,801.97
TOYS FOR TOTS	Annex	0	10932	0.5	0	0.50	JAN-20 DEC-20	5,466.00
ROOT - PIKE WATERSHED	Annex	118	600	4.94	0	4.94	JAN-20 DEC-20	2,964.00
Vacant (Formerly WOMEN'S R CTR)	Annex	114/116	400	0.00	0	0.00	JAN-20 DEC-20	-
NEIGHBORHOOD WATCH	Annex	314/316	864	4.94	0	4.94	JAN-20 DEC-20	4,268.16
			13,831	Subtotal City Hall Annex:				80,651.45
Vacant	City Hall	4	845	0	0	0	JAN-20 DEC-20	-
HOUSING	City Hall	102	699	17.66	0	17.66	JAN-20 DEC-20	12,344.34
FAIR HOUSING	City Hall	102	309	17.66	0	17.66	JAN-20 DEC-20	5,456.94
BUS	City Hall	304	150	17.66	0	17.66	JAN-20 DEC-20	2,649.00
PARKING SYSTEM	City Hall	304	500	17.66	0	17.66	JAN-20 DEC-20	8,830.00
			1,658	Subtotal City Hall:				29,280.28
Vacant	Safety Bldg	240	160	0	0	0	JAN-20 DEC-20	-
RACINE COUNTY 911	Safety Bldg	911	2240	10.18	0	10.18	JAN-20 DEC-20	22,803.20
			160	Subtotal Safety Bldg:				22,803.20
TOTAL ANNUAL RENTAL AMOUNT:								132,734.93

* Yearly increase dependent upon the C.P.I.

2011 = 1.6% Increase
 2012 = 2.6% Increase
 2013 = 1.6% Increase
 2014 = 1.7% Increase
 2015 = 2.1% Increase
 2016 = 2.1% Increase
 2017 = 2.2% Increase
 2018 = 3.1% Increase
 2019 = 2.9% Increase
 2020 = 2.9% Increase

Standard Rate
 Non-Profit Rate
 New Rental Rate