

Department of Public Works

City Hall
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Racine, Wisconsin 53403
262.636.9121 – Public Works
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City of Racine, Wisconsin

John C. Rooney, PE
Commissioner of Public Works/City Engineer

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

November 17, 2020

Legistar Item:

Alder Mollie Jones, Chair
Public Works and Services Committee
Racine, WI

Re: **2021 Lease Agreements** for Office Space

Dear Alder Jones:

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.

The attached listing consists of the leases that expire on 12/31/2020. In 2020, we initiated a fee for the Racine Concert Band who was formerly a rent-free tenant, so they are now included in this listing. Their rate is solely based on covering utility costs for their area and does not include the maintenance and service costs associated with the other lease agreements in this facility.

Toys For Tots was approved to continue as rent-free through June 30, 2021 per Resolution 0452-20, so they are not currently included in this lease agreement summary. We will need to bring the Toys For Tots lease agreement proposal before the Committee in early 2021, as it will need to go into effect on July 1, 2021.

I am proposing that all remaining leases be increased by **2.4%** 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 **\$130,316.77**.

Sincerely,

Thomas M. Eeg
Assistant Commissioner of Public Works/Operations

Attachment

TME:njp

Cc: John Rooney
Kathleen Fischer
Dave Brown

PROPOSED CITY HALL & CITY HALL ANNEX LEASE CONTRACTS Jan-21

LESSEE	BUILDING	ROOMS	SQ. FT.	BASE RATE	SUR-CHARGE	TOTAL RENTAL RATE	LEASE PERIOD	TOTAL INCOME
RACINE CONCERT BAND	Annex	17	278	1.14	0	1.14	JAN-21 DEC-21	316.92
RACINE SYMPHONY	Annex	120	478	5.06	0	5.06	JAN-21 DEC-21	2,418.68
CHORAL ARTS SOCIETY	Annex	122	500	5.06	0	5.06	JAN-21 DEC-21	2,530.00
WATER & WASTEWATER	Annex	223/227	3958	16.06	0	16.06	JAN-21 DEC-21	63,565.48
	0	229/231	0	0	0	0		-
	0	226	497	1.53	0	1.53	Lump Sum	760.41
	0	0	(storage)	0	0	0	TOTAL	64,325.89
ROOT - PIKE WATERSHED	Annex	118	600	5.06	0	5.06	JAN-21 DEC-21	3,036.00
NEIGHBORHOOD WATCH	Annex	314/316	864	5.06	0	5.06	JAN-21 DEC-21	4,371.84
			13,469				Subtotal City Hall Annex:	76,999.33
Vacant	City Hall	4	845	0	0	0	JAN-21 DEC-21	-
COUNCIL CHAMBER RENTAL	City Hall	205	2945		37.00 Half Day	74.00 Full Day	JAN-17 DEC-17	-
COMMITTEE ROOM RENTAL	City Hall	Various	Varies		15.00 Half Day	30.00 Full Day	JAN-17 DEC-17	-
HOUSING	City Hall	102	699	18.08	0	18.08	JAN-21 DEC-21	12,637.92
FAIR HOUSING	City Hall	102	309	18.08	0	18.08	JAN-21 DEC-21	5,586.72
BUS	City Hall	304	150	18.08	0	18.08	JAN-21 DEC-21	2,712.00
PARKING SYSTEM	City Hall	304	500	18.08	0	18.08	JAN-21 DEC-21	9,040.00
			1,658				Subtotal City Hall:	29,976.64
Vacant	Safety Bldg	240	160	0	0	0	JAN-21 DEC-21	-
RACINE COUNTY 911	Safety Bldg	911	2240	10.42	0	10.42	JAN-21 DEC-21	23,340.80
			160				Subtotal Safety Bldg:	23,340.80
							TOTAL ANNUAL RENTAL AMOUNT:	130,316.77

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

2018 = 3.1% Increase
 2019 = 2.9% Increase
 2020 = 2.9% Increase
 2021=2.4% Increase

Standard Rate
 Non-Profit Rate
 New Rental Rate

**CPI-All Urban Consumers (Current Series)
Original Data Value**

Series Id: CUUR0000SAH
 Not Seasonally Adjusted
 Series Title: Housing in U.S. city average, all urban consumers, not
 Area: U.S. city average
 Item: Housing
 Base Period: 1982-84=100
 Years: 2009 to 2019

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2010	215.925	215.841	216.023	215.798	215.981	216.778	217.076	216.976	216.602	216.100	215.830	216.142	216.058	216.454
2011	216.739	217.259	217.707	217.901	218.484	219.553	220.230	220.506	220.540	220.138	219.969	220.193	217.941	220.263
2012	220.805	221.117	221.487	221.682	221.971	223.051	223.316	223.699	223.901	223.708	223.814	224.032	221.685	223.745
2013	224.790	225.382	225.643	225.986	226.896	228.068	228.374	228.564	228.808	228.362	228.449	228.892	226.128	228.575
2014	230.256	230.905	231.968	231.689	232.744	233.894	234.475	234.571	234.675	234.434	234.315	234.658	231.909	234.521
2015	235.485	236.016	236.435	236.777	237.175	238.568	239.085	239.298	239.651	239.395	239.325	239.514	236.743	239.378
2016	240.424	241.015	241.485	241.790	242.811	244.280	244.936	245.472	246.127	246.264	246.271	246.795	241.968	245.978
2017	247.942	248.693	248.978	249.514	250.376	251.629	251.870	252.615	252.984	253.125	253.177	253.845	249.522	252.936
2018	254.857	255.713	256.388	256.969	257.907	258.710	259.268	259.884	259.941	260.268	260.473	261.360	256.757	260.199
2019	262.284	263.057	263.886	264.452	265.137	266.461	267.101	267.263	267.822	267.794	267.925	268.236	264.213	267.690
2020	269.468	270.281	270.273	270.184	270.823	271.831	272.445						270.477	

$$\frac{270.477}{264.213} - 264.213 = 2.4\% \text{ 2021 CPI Increase}$$