

## Department of Public Works

City Hall  
730 Washington Avenue  
Racine, Wisconsin 53403  
262.636.9121 – Public Works  
262.636.9191 – Engineering



Mark H. Yehlen, PE  
Commissioner of Public Works

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

John C. Rooney, P.E.  
Asst. Comm. of Public Works/City Engineer

April 23, 2018

Legistar Item: 0411-18

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

Re: 5-Year Lease Agreement – Wisconsin Department of Corrections

Dear Alderman Tate:

The Department of Corrections 5-Year lease agreement has the annual rental rate details highlighted in yellow in the attached document. As you can see in this attached Lease Summary document, the State would be paying \$16.34 per Square Foot (SF) of rental space in 2018, where other renters are paying \$14.81 per SF, so a good revenue for the City. Per the agreement, this rental rate will increase by 1.75% annually, again as highlighted in the attached document.

Based on this revenue, I'd recommend proceeding with this agreement along with the two 3-year extensions as proposed. The State did agree to a 6 month termination period, at no cost to the City, if we did elect to modify the usage of this facility in the future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas M. Eeg", is written over a blue line.

Thomas M. Eeg  
Assistant Commissioner of Public Works/Operations

TME:njp

Cc: Mark Yehlen  
Jim Palenick  
Dave Brown

# PROPOSED CITY HALL & CITY HALL ANNEX LEASE CONTRACTS

**Jan-18**

LESSEE	BUILDING	ROOMS	SQ. FT.	BASE RATE	SUR-CHARGE	TOTAL RENTAL RATE	LEASE PERIOD	TOTAL INCOME
Vacant	Annex	329/331 333	1,382 528	0.00 0.00		0.00 0.00	JAN-18 DEC-18 JAN-18 DEC-18 TOTAL	0.00 0.00 0.00
DEPARTMENT OF CORRECTIONS, COMMUNITY CORRECTIONS	Annex	213/214/215 216/217/218 228 230	4,370  344 1,180  5,894	16.34 16.63 16.92 17.21 17.51		16.34 16.63 16.92 17.21 17.51	JUN-18 MAY-19 JUN-19 MAY-20 JUN-20 MAY-21 JUN-21 MAY-22 JUN-22 MAY-23	96,307.96 97,993.35 99,708.23 101,453.13 103,228.56
RACINE CONCERT BAND	Annex	17	640	N/C		N/C	JAN-18 DEC-18	0.00
RACINE SYMPHONY	Annex	120	478	4.66		4.66	JAN-18 DEC-18	2,227.48
CHORAL ARTS SOCIETY	Annex	122	500	4.66		4.66	JAN-18 DEC-18	2,330.00
WATER & WASTEWATER	Annex	223/227 229/231 226	3,958  497 (storage)	14.81  1.37		14.81	JAN-18 DEC-18  Lump Sum TOTAL	58,617.98  680.89 59,298.87
TOYS FOR TOTS	Annex		11,000	N/C		N/C	JAN-18 DEC-18	0.00
BOXING CLUB	Annex	14	3,767	N/C		N/C	JAN-18 DEC-18	0.00
ROOT - PIKE WATERSHED	Annex	118	600	4.66		4.66	JAN-18 DEC-18	2,796.00
WOMEN'S RESOURCE CTR	Annex	114/116	400	14.81		14.81	JAN-18 DEC-18	5,924.00
NEIGHBORHOOD WATCH	Annex	314/316	864	4.66		4.66	JAN-18 DEC-18	4,026.24
			<b>13,831</b>	<b>Subtotal City Hall Annex:</b>				<b>172,910.55</b>
Vacant	City Hall	4	845	0.00		0.00	JAN-18 DEC-18	0.00
HOUSING	City Hall	102	699	16.68		16.68	JAN-18 DEC-18	11,659.32
FAIR HOUSING	City Hall	102	309	16.68		16.68	JAN-18 DEC-18	5,154.12
BUS	City Hall	304	150	16.68		16.68	JAN-18 DEC-18	2,502.00
PARKING SYSTEM	City Hall	304	500	16.68		16.68	JAN-18 DEC-18	8,340.00
			<b>1,658</b>	<b>Subtotal City Hall:</b>				<b>27,655.44</b>
Vacant	Safety Bldg	240	160	0.00		0.00	JAN-18 DEC-18	0.00
RACINE COUNTY 911	Safety Bldg	911	2,240	9.61		9.61	JAN-18 DEC-18	21,526.40
			<b>160</b>	<b>Subtotal Safety Bldg:</b>				<b>21,526.40</b>
			<b>15,649</b>	<b>TOTAL ANNUAL RENTAL AMOUNT:</b>				<b>222,092.39</b>