

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: May 31, 2011

TO: Supervisor Lee Holloway, Chairman, Milwaukee Co. Board of Supervisors

FROM: Geri Lyday, Interim Director, Department of Health and Human Services
Prepared by: Paula Lucey, Administrator, Behavioral Health Division

SUBJECT: **Report from the Interim Director, Department of Health and Human Services, Requesting Authorization to Enter into a 2011 Lease and Options to Extend for Space for the Behavioral Health Division's Community Support Program**

Issue

The Behavioral Health Division (BHD) recently discovered that the current lease for space for the south side Community Support Program was expired. BHD then asked Corporation Counsel for an opinion and they advised BHD to seek approval for a one-year lease for the space. Therefore, BHD is submitting the lease to the County Board for approval.

Background

The Community Support Program (CSP) provides services to individuals with serious and persistent mental illness. BHD runs two CSP programs – the downtown program operates out of the Marcia P. Coggs Center and the south side program provides service to individuals Mitchell Street in Milwaukee. For the last several years, the Behavioral Health Division (BHD) has leased approximately 7,520 square feet of space located at 1201 and 1207 W. Mitchell Street in Milwaukee. The program serves approximately 189 individuals, many of whom reside in close proximity to the south side clinic. Moving the south side clinic to a north side location could prove to be a barrier for many of these individuals to access services and would interrupt the continuity of their care.

Once the original lease expired in 2009, BHD and the landlord (Carol Jean Alex at Richter Realty & Investment, Inc.) extended the lease on a month to month basis. The 2011 amended lease reflects a term of May 1, 2011 to April 30, 2012 with options of one-year extensions thru April 30, 2016. The lease includes utilities except for telephone and electricity for lighting and office equipment used by the south side CSP.

The annual lease amount under the existing lease is \$81,600 or \$6,800 monthly. The new lease reflects an annual lease amount of \$84,048 or \$7,004 monthly. This is due to several modifications and investments recently made by the landlord. In addition, the 2011 lease includes the installation of new carpeting at a cost of \$14,760 annually or \$1,640 monthly for the first nine months of the 2011/2012 lease.

The terms of the extensions are as follows:

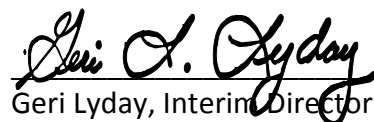
<u>Period</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
5/1/2012-4/30/2013	\$86,569.44	\$7,214.12
5/1/2013-4/30/2014	\$89,569.44	\$7,464.12
5/1/2014-4/30/2015	\$91,841.51	\$7,653.45
5/1/2015-4/30/2016	\$94,569.75	\$7,880.81

Fiscal Effect

BHD's 2011 Budget includes \$81,600 for space rental for CSP's south side location. The total calendar year cost for the lease in 2011 is \$96,352, which reflects an increase of \$14,752 over the 2011 Budget due to the new carpet and other investments. The cost incorporates the first four months under the current lease and the last eight months under the new lease. Annual increases through April 2016 average 3 percent. The additional cost over the 2011 budget amount will be absorbed within BHD operations and then budgeted in future years. A fiscal note is attached.

Recommendation

The Interim Director, Department of Health and Human Services (DHHS), recommends approval of the 2011 lease and annual options to extend through April 30, 2016 with Carol Jean Alex d/b/a Butter Building for space provided to the south side Community Support Program.



Geri Lyday, Interim Director
Department of Health and Human Services

cc: County Executive Chris Abele
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