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(ITEM) From the Director, Department of Administrative Services, requesting the release of \$250,000 placed in an Allocated Contingency account; requesting authorization to execute an administrative fund transfer in an amount not-to-exceed \$1.1 million; and requesting authorization to execute various lease agreements for the rental of new office space associated with the relocation of City Campus employees, by recommending adoption of the following:

A RESOLUTION

WHEREAS, resolution File No. 14-483 was approved by the Transportation, Public Works, and Transit Committee, and the Milwaukee County Board of Supervisors (County Board) in June of 2014, which provided direction to the Department of Administrative Services regarding specific actions related to the Consolidated Facilities Plan (CFP); and

WHEREAS, since then, the CFP Workgroup, along with CB Richard Ellis (CBRE) and Quorum Architects, completed “fit plans” on three of the four prospective office buildings to better identify the most efficient utility of space based on the County’s needs; and

WHEREAS, two of the three potential office buildings (310 West Wisconsin Avenue and 633 West Wisconsin Avenue, Milwaukee) were deemed to be suitable and efficient, prompting the CFP Workgroup to direct CBRE to pursue lease rate and leasehold estimates with these two office buildings’ management representatives; and

WHEREAS, because both buildings’ representatives expressed interest in negotiating a competitive lease rate and leasehold allowance, the CFP Workgroup directed CBRE to work toward final negotiations of a lease with both properties; and

WHEREAS, total costs for lease space planning and various relocation expenses are estimated at \$1.8 million (consistent with estimates provided to the County Board in July 2014) as follows:

- Space Planning and Consulting Services: \$337,000
- Relocation Costs: \$277,000
- Network, Telecommunications, Furniture, and Fixtures: \$818,000
- Leasehold Improvements: \$240,000
- Contingency: \$84,000

; and

WHEREAS, of the \$1.8 million, \$650,000 was appropriated in the 2014 Adopted Budget (including 75% of the \$200,000 for CBRE’s services related to Phase II of the CFP effort); and

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WHEREAS, closure of City Campus will result in operating budget cost savings of approximately \$1 million and net cost savings (accounting for lease costs) of approximately \$229,000 in 2015 and \$401,000 thereafter for the next four years; and

WHEREAS, in addition to operational cost savings, significant costs will be avoided by closing City Campus versus bringing the facility up to code and converting it into a true office building, and are estimated at \$26.0 million (\$18.5 million principal plus \$7.5 million interest costs); and

WHEREAS, the current breakeven analysis indicates that this initiative will begin to generate positive annual cash flow to the County in 2019 and, when factoring in for capital costs avoidance, positive annual cash flow will be recognized in 2018; and

WHEREAS, in addition to securing newly leased space for most County employees located at City Campus, the CFP Workgroup has been working on separate plans to relocate the Department of Health and Human Services (DHHS) Housing Division and the Department of Transportation (DOT) staff from City Campus; and

WHEREAS, the CFP Workgroup has identified the Technology Innovation Center in the City of Wauwatosa as potential temporary space for certain DOT staff in the event the Fleet Building addition is not completed prior to the deadline to vacate City Campus; and

WHEREAS, the CFP Workgroup has identified a property at 601 West Walnut Street, Milwaukee, as potential space for the DHHS Housing Division; now, therefore,

BE IT RESOLVED, the Milwaukee County Board of Supervisors (County Board) hereby authorizes the release of \$250,000 placed in an Allocated Contingency account within Org. Unit 5700 - Facilities Management, per the 2014 Adopted Budget, for City Campus relocation costs; including the transfer of these funds to the appropriate accounts in Org. Unit 5700; and

BE IT FURTHER RESOLVED, the County Board further authorizes the Department of Administrative Services (DAS) to execute an administrative fund transfer of an amount not-to-exceed \$1.1 million from the Debt Service Reserve Account to Org. Unit 5700 - Facilities Management for the following relocation costs: (1) relocation of the Department of Health and Human Services (DHHS) Housing Division, (2) computer networking, telecommunications, furniture, and fixtures, and (3) lease improvements; and

BE IT FURTHER RESOLVED, DAS is authorized to execute the attached lease agreement ("633 Lease") with Towne Realty, Inc., to lease commercial office space at 633 West Wisconsin Avenue, Milwaukee, Wisconsin, for a majority of Milwaukee County's City Campus employees, contingent upon review and approval of Corporation Counsel and Risk Management, under the following provisions:

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- Initial five-year lease term.
 - Base rental rate of no greater than \$14.90 per square foot for a maximum of 32,000 square feet, with a 3% annual escalator.
 - Leasehold allowance of up to \$636,000.
 - Ability to terminate the agreement after three years with a six-month notice.
 - Market rate renewal provisions after the initial term.
 - Twelve reserved parking stalls for fleet vehicles and an initial monthly parking rate of no greater than \$90 per month for up to 180 parking stalls.

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105 BE IT FURTHER RESOLVED, DAS is authorized to execute the attached lease
106 agreement (“TIC Lease”) between Milwaukee County and the Milwaukee County
107 Research Park Corporation for the relocation of Department of Transportation
108 employees at City Campus, contingent upon review and approval of Corporation
109 Counsel and Risk Management, under the following provisions:

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- Month-to-month lease.
 - Base rental rate of \$8.50 per square foot for no more than 6,000 square feet of space.

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117 BE IT FURTHER RESOLVED, DHHS is authorized to execute the attached lease
118 agreement (“Walnut Lease”), between Milwaukee County and Most Worshipful Prince
119 Hall Grand Lodge, Inc., contingent upon review and approval of Corporation Counsel
120 and Risk Management, under the following provisions:

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- Two-year term with four two-year renewals.
 - Base rental rate of no greater than \$12.50 per square foot for no more than 8,000 square feet of space.

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