



AGENDA MEMORANDUM

Action Item for the City Council Meeting of April 11, 2023

DATE: April 11, 2023
TO: Peter Zaroni, City Manager
FROM: Robert Dodd, Director of Parks and Recreation Department
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Lease Agreement for the Parks & Recreation Department Office Space at Bayview Tower

CAPTION:

Motion authorizing a 60-month lease agreement with Bayview Tower, LLC for lease of office space Bayview Tower, 400 Mann Street, Corpus Christi, Texas (6,422 square feet) for Parks & Recreation for an amount not to exceed \$489,409.92 with FY 2023 funding in an amount of \$23,279.76 from General Fund-Parks and Recreation.

PURPOSE:

The purpose of this agenda item is to execute a 60-month lease agreement with Bayview Tower, LLC for the lease of office space for the Parks & Recreation Department (PARD) administrative staff which includes the office of the Director, Finance Division and Community Relations and Engagement (26 total employees). The proposed agreement would begin on August 1, 2023, and end on July 31, 2028. Funding for the office space was approved in the 2023 Budget cycle.

BACKGROUND AND FINDINGS:

Currently, PARD administrative staff are located at Heritage Park at 1581 North Chaparral Street, adjacent to the American Bank Convention Center (ABC) in the Sports, Entertainment and Art District (SEA). Administrative Staff have been temporarily located at Heritage Park since January 2021. Administrative Staff occupy several different houses within the park: Gugenhiem House, Galvan House, Sidbury House, McCambell House and Merriman-Bobby House.

Relocating PARD administrative staff from Heritage Park is necessary as each house is not properly outfitted to suitably perform business operations. The houses lack appropriate conference space for meetings and discretion is limited. The houses are antiquated and do not have sufficient capacity for electrical/heating/ventilating equipment, especially during the winter months. Restroom accommodations are also limited and are not compliant with ADA standards. The houses also experience occasional power/network outages with no WiFi access. Current arrangements create a divided work environment as Administrative Staff are not centrally located but dispersed throughout the Park.

The proposed office space is 6,422 square feet and PARD will occupy half of the entire second floor of Bayview Tower. The PARD space at Bayview Tower has 15 offices along the perimeter, with a large, open space in the center for 12 cubicles. The space also includes a conference room, kitchen/break room and storage space.

The term of the proposed agreement would begin on August 1, 2023, and expire on July 31, 2028 with the following lease rate schedule:

| Lease Period | Annual Rate PSF | Monthly Base Rent | Annual Base Rent |
|-------------------------|-----------------|-------------------|------------------|
| 08/01/2023 – 07/31/2024 | \$14.50 | \$7,759.92 | \$93,119.04 |
| 08/01/2024 – 07/31/2025 | \$14.75 | \$7,893.71 | \$94,724.52 |
| 08/01/2025 – 07/31/2026 | \$15.00 | \$8,027.50 | \$96,330.00 |
| 08/01/2026 – 07/31/2027 | \$15.25 | \$8,161.29 | \$97,935.48 |
| 08/01/2027 – 07/31/2028 | \$15.50 | \$8,295.08 | \$99,540.96 |

As part of the proposed lease agreement (full service), Bayview Tower shall furnish janitor and cleaning service, utilities/plumbing service, cold water for drinking, restroom accommodations, pest control, lamp/ballast replacement for light fixtures as well as general maintenance/operations of the premises. Heating and air conditioning service is provided between 8:00 am and 6:00 pm, Monday through Friday and between 8:00 am and 1:00 pm, Saturday; up to fifteen (15) unreserved garage parking spaces will be provided at no additional cost.

Prior to commencement of the term of the lease, Bayview Tower will, at its expense, complete renovations to the premises to conform to the provided floor plan (Exhibit “C” of the lease agreement). The minor renovations include alterations such as replacing stained/damaged ceiling tiles, patching holes/painting all walls, installing new carpet, installing/relocating light switches and rewiring fixtures. Walls will also be demolished as part of the details in the floor plan along with building new insulated walls (tape, float, texture and paint). For the kitchen/break area, Bayview Tower will also be installing/painting cabinets and countertops. Throughout the term of the lease or any renewal thereof, Bayview Tower shall not otherwise be required to make repairs or improvements to the premises, except repairs necessary for safety and customary office building maintenance.

PARD staff will vacate the Heritage Park homes in August 2023. Once vacant, the homes will be used for special programming with an option to rent space for private parties/weddings, etc. The Galvan House will continue to be used for art exhibits as a cultural center and leased for private events; the courtyard/rose garden can be reserved for events/public festivals as well. The Sidbury, Gugenheim and McCambell houses can be leased by smaller-scale businesses or organizations such as non-profits. Staff will work with other City Departments and non-profit organizations to actively develop programs and events to maximize utilization of the houses. Example programs could include seasonal event series and public meetings. Staff will also look to work with third-party vendors to offer cultural enrichment activities such as historical tours and learn-to-paint classes.

ALTERNATIVES:

Mayor and City Council can revise or disapprove the proposed lease agreement and request Staff to further explore other locations for office space. Centralizing Parks and Recreation Administrative Staff will improve operational efficiency.

FISCAL IMPACT:

The fiscal impact for FY 2023 is \$23,279.76 which includes two months of rent and one month of security deposit with funding available from the General Fund-Parks and Recreation.

FUNDING DETAIL:

| | |
|------------------------|-----------------------------------|
| Fund: | 1020 General Fund |
| Organization/Activity: | 12900 Office of Director |
| Department: | 27 Parks and Recreation |
| Project # (CIP Only): | N/A |
| Account: | 530180 Non-capital lease payments |
| Amount: | \$23,279.76 |

RECOMMENDATION:

Staff recommends approval of the motion, as presented.

LIST OF SUPPORTING DOCUMENTS:

Lease Agreement
Presentation