

LEGISLATIVE SUMMARY
Mayor's Office of Capital Projects
Division of Real Estate

Lease for Dept. of Building & Housing at 65-75 Erieview Plaza

Ordinance No:	151-2021
Legislative Purpose:	To authorize the City of Cleveland to lease approximately 29,748 rentable square feet from Alto 55 Erieview, LLC at 65-75 Erieview Plaza for a term not to exceed eight (8) years with two five-year options to renew, exercisable by the Director of Building and Housing; to authorize payment of utilities and operating expenses; to authorize department to purchase furniture and fixtures and to make other expenditures needed for the lease as approved by Department of Finance.
Project Summary:	<p>The Department of Building and Housing is in need of office space due to overcrowding and staff being located throughout City Hall on floors 1, 3, 4, and 5.</p> <p>City would realize efficiencies by locating the entire Code Enforcement section together in one space. Leasing space at Erieview Plaza will reduce IT costs by co-located with the other City departments already located in that building: Department of Public Health ("CDPH"), Department of Aging, Community Diversion (Community Relations Board), Mayor's Office of Sustainability, Mayor's Office of Quality Control and Performance Management, and the Department of Public Utilities' Chief Information Officer.</p>
Justification:	This lease would enable moving the Rental Registration and newly implemented Lead Certification team to 65 Erieview Plaza, 1st floor, Suite 105. This will include the buildout of a public facing office off the building's main lobby that will allow the public to walk in and obtain their rental registration and lead certification.

This lease would also enable moving the entire Code Enforcement section to the 4th floor of 65-75 Erieview. This would include the Vacant Property Unit, the Rental Inspection Unit, all of the Districts (1-4), Main Street Unit, Electrical Unit, Plumbing Unit, Mechanical Unit, and Elevator Unit. Their support staff would join them.

Currently, Code Enforcement staff sits on the 4th floor, shared space with Law on 1st floor, shared space with Community Development on the 3rd floor, and shared space with OEO on the 3rd floor. This plan would remove all of the Code Enforcement staff from these areas and make space available for MOCAP's Division of Architecture and Site Development to complete and implement a space planning study at City Hall.

Property Address:	The Fives at Erieview 65-75 Erieview Plaza, Cleveland, Ohio 44114	
Landlord:	Alto 55 Erieview, LLC	
Floors:	Suite 105 off lobby on 1 st floor (1,643 SF) Entire 4 th floor of 65-75 building (28,105 SF)	
Square Footage:	The total square footage of office space will be 29,748 rentable square feet.	
Initial Term:	Not to exceed eight (8) years. Term will match CDPH's lease, which terminates on December 31, 2028.	
Commencement:	Anticipated to be May 1, 2021, pending passage of legislation.	
Renewal Term:	The City shall have two additional options to extend the term for an additional period of five (5) years each, to match CDPH's lease.	
Rental Rate:	Years	Office Space Rent Per Year / SF
	1	\$11.00 Full Service Gross
	2	\$11.25 Full Service Gross

3	\$11.50 Full Service Gross
4	\$12.00 Full Service Gross
5	\$12.50 Full Service Gross
6	\$13.00 Full Service Gross
7	\$13.50 Full Service Gross
8	\$14.00 Full Service Gross

Rent Analysis: An analysis of available downtown office space was completed and this lease rate is lower than all comparable buildings with our square feet needs. Rent rate is also less than CDPH's lease rate due to current economic climate and limited tenant improvements being requested by City.

Rent Abatement: Landlord will provide 6 months free rent at the beginning of the lease term.

Landlord Commitments: Suite 105 on first floor will be a complete buildout by landlord because the space is currently unimproved.

Landlord will install key fob readers on 1st and 4th floor spaces on all entry doors for security, which will tie into the building fob system.

The 4th floor will mostly remain "as is" with a \$50,000 tenant improvement budget to allow changes as needed by Building & Housing.

City will have use of existing furniture and cubicles existing in the space and/or owned by landlord elsewhere in the building at no additional cost to City.

The space on the 4th floor of Erieview already has most furniture but not COVID screens. COVID screens would be added prior to occupancy.

Landlord shall provide 17 parking spaces at one of the adjacent garages at no cost to City.

Landlord has agreed to pay the cost of the move from City Hall to the new space at Erieview.

Tenant Responsibilities: City will be responsible for rent, utilities, and operating expenses. City is responsible for costs associated with IT. The 4th floor space is pre-wired for IT due to past use by CDPH so IT costs should be minimal. Tenant is responsible for any costs associated with new furniture or reconfiguring any existing cubicles.

Ward: 3, Councilman Kerry P. McCormack

Attachments: Location Map