



To: Commissioner's Court

From: Bill Burke

Date: 12-11-14

Subject: Elections Lease

In July of 2013 the County agreed to renew the Elections lease at 2010 Redbud at annual base rent of \$9.58 per square foot for 12,312 square feet, or \$117,948.96 per year, with an additional \$2.21 psf in CAM charges, or \$27,209.52 per year for 12,312 sf. During the Budget Workshops in 2014 the Commissioner's Court agreed to pursue additional space. The attached lease represents the result of the negotiation between the Landlord at 2010 Redbud and the County. The following are the important points.

1. The County will continue to pay base rent at \$9.58 psf, with an additional \$2.21 psf for Cam charges, for 12,312 sf until construction on the additional 12,400 sf receives a Certificate of Occupancy from the City. At that time the rent will reduce to \$7.25 psf for 24,712 square feet, or \$179,162.04 per year, with an additional \$2.21 psf in CAM charges, or \$54,613.52 per year for 24,712 sf.
2. This third amendment which adds 12,400 sf to the existing lease will also extend, or modify, the existing end date of the lease from 10-31-18 to 60 months, or five years, after the date of the Certificate of Occupancy from the City of McKinney which is expected to be sometime in 2020.
3. Beginning in 2016 base rent will increase by 3% per year until the end of the lease in 2020.
4. The County will pay for all costs related to build out of the new space. The Landlord will pay for a new demising wall and separation of the electric service. The Landlord will bid out and manage the construction. The Landlord will provide at least three separate bids for the County to review and approve. For this the Landlord will receive a 3% Construction Management fee.
5. Once the project is bid by the Landlord the construction cost will require Court approval.
6. All other lease terms will remain the same

Based on the decision to expand Elections this is recommended as the best option.

Upon approval the County will retain an Architect and create plans for bid.

Thank you for your consideration