

## **LRB - FISCAL REVIEW SECTION ANALYSIS**

**PUBLIC IMPROVEMENTS COMMITTEE**

**ITEM 16, FILE 011506**

**FEBRUARY 20, 2002**

**ANGELYN WARD**

File #011506 is a resolution authorizing the Department of Neighborhood Services to enter into a short-term sub-lease agreement for the use of office space at the Hill Building, 906 West Mitchell Street.

### **Background**

1. This resolution authorizes the Department of Neighborhood Services (DNS) to enter into a sub-lease agreement with United Migrant Opportunity Services (UMOS) for the use of office space at the Hill Building, 906 W. Mitchell.
2. DNS has been using 9,000 square feet of office space since 1989. The workgroups at the Hill Building include Residential Code Enforcement, Environmental Health, Court, Grant Programs, Vacant Lots and Code Compliance.

### **Discussion**

1. DNS was scheduled to re-locate to the Anderson Building by mid-2002. Built in 1939, the Anderson Building had to be brought up to 1 A code. The remodeling project has turned into renovation, resulting in delays.
2. DPW does not have sufficient staff to handle all of the work. The interior renovation will be contracted out. Bids have been requested for the major work: plumbing, fire, elevator, HVAC, electrical and structural components. The bids are due February 21, 2002 with contracts to be awarded in March, 2002.
3. All contracted work is scheduled for completion by September, 2002. Other work scheduled for October, 2002 is telephones, communication, systems furniture and signage. DNS is scheduled to move in before the end of 2002.
4. The total budget for the renovation of Anderson Building, funded through the DNS 2002 Capital Improvements, is \$2.3 million.
5. The department will enter into a new sub-lease arrangement not to exceed 12 months at the current location, the Hill Building, with UMOS.

### **Fiscal Impact**

1. The cost of the office space in the sub-lease arrangement between DNS and UMOS at 906 W. Mitchell, the Hill Building, is funded through the DPW 2002 Capital Improvements and Operating and Maintenance budget. The lease and utilities is approximately \$9,000 per month, for a total of \$108,000.
2. The time period for the sub-lease is January 2002 through December 2002.

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