



Legislation Text

File #: 18-0280, **Version:** 2

A resolution authorizing a lease with Council of Neighbors and Organizations of less than fair market value for approximately 3,500 square feet of office space at the Golf Acres Complex

Presenter:

Peter Wysocki, Planning and Development Director

Summary:

The attached resolution authorizes staff to enter into a lease of less than fair market value for approximately 3,500 square feet of the Golf Acres Complex for a public purpose. If approved, the space would be leased by Council of Neighbors and Organization (CONO), which is a non-profit organization that provides various civic services to residents, neighborhoods and homeowners associations such as civic education, outreach, advocacy and neighborhood improvement.

Due to the urgency of this matter, staff is requesting that the Council consider this item back-to-back on the June 11, 2018 Work Session and June 12, 2018 Regular Meeting.

Previous Council Action:

None

Background:

The City of Colorado Springs is the owner of the property known as the Golf Acres Complex (the "Property"). CONO is currently housed in a building located at 309 South Cascade Avenue. The building is owned by El Paso County. CONO has lease office space since late 2014 and the currently pays \$180 per month. However, earlier this year, El Paso County notified CONO that it intends to terminate the lease and CONO must vacate the building on or before June 30, 2018. Upon considering several other locations, on May 30, 2018, CONO notified the City of its interest to lease available vacant space at the Golf Acres Complex.

Pursuant to Section 10.2(d)(iii)(2) of the City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, City Council may authorize rental of City property below market value for a public purpose.

Given the City's support of CONO's mission and long-standing partnership as a non-profit civic organization, staff supports below market value lease rate. If authorized, City staff will negotiate the final terms and conditions of the lease.

Financial Implications:

Depending on the final terms and conditions of the lease, annual financial impacts may vary. On average, market rate lease at Golf Acres is \$8/SF per year; so, for 3,500 SF an \$8/SF lease would

yield \$28,000 per year or \$2,333 per month. CONO has requested consideration of a significantly lower lease rate, particularly for the remainder of 2018.

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

1. Approve the resolution as recommended by staff
2. Deny the resolution

Proposed Motion:

Move to approve the attached resolution authorizing a lease with Council of Neighbors and Organizations for less than fair market value for approximately 3,500 square feet of office space at the Golf Acres Complex.

N/A