

- (1) Receive this report and set the Fifth Amendment to the office space lease for the public hearing on December 16, 2023, and after the public hearing approve this proposed lease amendment; and
- (2) Authorize the City Manager to execute the proposed Fifth Amendment to the lease with WG Tavern Square Venture, LLC.

BACKGROUND: Early voting has increased significantly over the past few election cycles with the length of the ballots and the election type contributing to long wait times and lines for voters at voting locations. In addition, the passage of SB 3 effective July 1, 2022, requires the reporting of absentee results by precinct which will result in the need for additional equipment to support a ballot on demand system.

To help reduce wait times and lines at the Office of Voter Registration and Elections, staff recommends approximately 500 square feet in additional space to accommodate additional voting machines during in-person/early voting for upcoming elections including the presidential election in 2024. The space will also provide room for the storage for additional equipment to meet the requirements of SB 3.

In June 2016, the City entered into a 10-year agreement to lease 56,223 square feet in the Tavern Square office complex across from City Hall to consolidate lease space for nine City departments from multiple floors to one floor in the complex resulting in a reduction of 6,000 square feet of leased space. The lease was amended in 2021 to extend the lease for an additional seven (7) years at a lower lease rate with twelve (12) months of rent abatement resulting in savings of over \$2.7 million over the first five (5) years of the lease term compared to the previous lease.

DISCUSSION: The Office of Voter Registration and Elections currently occupies 6,025 square feet of space on the first floor of the Tavern Square office complex. Based on the need to accommodate in-person/early voting for upcoming elections and additional equipment to meet the requirements of SB 3, staff determined that the Office requires approximately 500 square feet of additional space.

The Department of General Services Support Services Section currently occupies 475 square feet on the first floor of the Tavern Square office complex adjacent to the Office of Voter Registration and Elections. Staff proposes that the 475 square feet currently occupied by General Services Support Services staff be transferred to Voter Registration and when combined will provide the Office with the space it requires to accommodate in-person/early voting and the storage of additional equipment. The location of this additional space will also improve the efficiency of voter ingress and egress during elections.

To accommodate the General Services Support Services staff that will be displaced, staff have identified 625 square feet of space on the second floor of Tavern Square adjacent to the Department of General Services main suite. This space will provide for the relocation of staff as well as space for the storage of equipment and materials used to support daily operations. The lease rate for this space will be \$29.00 per square foot which is below the lease rate currently incurred by the City for its other leased spaces in the Tavern Square office complex of \$31.50 per square foot. At \$29.00 per square foot, an additional 625 square feet will result in an additional lease cost of \$18,125 per year. Assuming lease execution in December 2023, with one month of negotiated rent abatement, costs for the remaining six (6) months of FY 2024 would be \$9,062, or \$1,510 per month.

This solution will provide the Office of Voter Registration and Elections with the additional space required to address the long wait times and lines associated with in-person/early voting as well as the storage of the additional equipment needed to meet the requirements of SB 3 while also providing staff and storage space for General Services staff displaced by the expansion of Voter Registration in the Tavern Square office complex.

FISCAL IMPACT: The lease rate for the additional 625 square feet of leased office/storage space in the Tavern Square office complex at 421 King Street will be \$1,510 per month for the remaining six (6) months of FY 2024, or \$9,062.

ATTACHMENT: Fifth Amendment to the Lease Agreement Between the City and WG Tavern Square Venture, LLC

STAFF:

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