

Consent Agenda Briefing for PWSRCAC Board of Directors – May 2024

ACTION ITEM

Sponsor: Hans Odegard, Director of Administration

Project number and name or topic: Anchorage Lease Extension

1. **Description of agenda item:** The lease for the Anchorage office at 3709 Spenard Road, Suite 100, will expire on June 30, 2024. The purpose of this agenda item is to request the extension of the current lease for one year, starting on July 1, 2024. The rate for this lease extension remains the same as currently specified (\$5,950.95 per month). A second remaining one-year lease extension option, as per our original lease agreement, is available to PWSRCAC if we do not find a new location within 90-days before the expiration of this lease extension. A notice of lease termination or the decision to exercise the second one-year lease extension must be given by March 31, 2025. The lease extension for the Anchorage office encompasses several maintenance and upgrade provisions, including furnace replacement and air duct cleaning to enhance the efficiency of the heating and ventilation systems, air quality testing, as well as upgrades to the security of the building.

Furthermore, PWSRCAC staff have been working with a commercial real estate broker to examine alternative office options and assess the current landlord's offer, considering current market rates for comparable spaces. Staff recently toured two offices but decided against moving due to storage space limitations, financial considerations, as well as other concerns. To prepare for potential future relocation, PWSRCAC's staff has reached out to various vendors to estimate the costs of moving the office, including furniture, records, telephone systems, and computer equipment. Staff will continue to search for alternative office options in the coming year ahead of the expiration of the lease extension.

2. **Why is this item important to PWSRCAC:** In order to operate efficiently, it is necessary for PWSRCAC to have adequate and cost-effective office space. It is also important that the space be safe and secure for staff and visitors and that it be located in a part of Anchorage that is easily accessible.

3. **Previous actions taken by the Board on this item:** The Anchorage office lease is renewed every five years. The lease was last renewed on July 1, 2019, and the previous renewal occurred five years earlier on July 1, 2014. Currently, there are two available one-year extension options from the lease signed on July 1, 2019.

4. **Action Requested of the Board of Directors:** Authorize the Executive Director to sign a one-year lease extension for the Anchorage office located at 3709 Spenard Road. The monthly rent is \$5,950.95, totaling \$71,411.40 over the one-year term.

5. **Alternatives:** None recommended.

6. **Attachments:** None