



To: All Alders

From: Office of Real Estate Services

Date: August 30, 2018

RE: Resolution File Number 52676
Vera Court Neighborhood Center Lease Extension for
1910 Lake Point Drive

On Tuesday, September 4th, the Common Council is scheduled to take final action on Resolution File Number 52676. The resolution seeks authorization to amend the lease between the City and Vera Court Neighborhood Center for the use of City-owned property located at 1910 Lake Point Drive. Vera Court uses this property for childcare and youth activities connected to the Bridge Lake Point Waunona Neighborhood Center. Their primary building at 1917 Lake Point Drive is also owned by the City. The proposed amendment will extend the lease at 1910 Lake Point Drive through December 31, 2019, and continue it thereafter on a month-to-month basis, subject to cancellation by either party.

At the August 13th Finance Committee meeting, a question was raised about the rationale for converting the lease to a month-to-month arrangement after December 31, 2019. The proposed lease structure addresses plans to consolidate neighborhood center activities in a new center that is in the planning phase. A firm schedule for the project, which has funding authority in the Community Development Division's 2018 Capital Budget, is uncertain. However, Community Development Division staff and the Alder will be working with the community during the latter part of 2018 to clarify a process for developing, building and operating the new center. Staff expects planning for the new center to continue during 2019, and if all goes well, construction could occur in 2020. Once a new center is built the buildings at 1910 and 1917 Lake Point Drive will be vacated.

The resolution seeks authorization to extend the lease through December 31, 2019, and then the term continues on a month-to-month basis thereafter. By having the lease convert to a month-to-month term, the City and Vera Court have the flexibility to terminate this lease at such time when the new center opens. If the new center does not open prior to December 31, 2019, the month-to-month term gives the City and Vera Court the flexibility to have the center's operation continue without obtaining additional approvals and processing additional paperwork.