



**Date:** August 21, 2012

**To:** Thomas J. Bonfield, City Manager  
**Through:** Wanda Page, Deputy City Manager  
**From:** Joel V. Reitzer, Director, General Services Department  
Jina Propst, Facilities Operations Manager  
David M. Fleischer, Real Estate Manager

**Subject:** Proposed Six Year Lease for Police District Four at 2945 S. Miami Boulevard

### **Executive Summary**

The City has occupied 3,400 square feet of leased space for the District Four Police Substation at 3022 Fayetteville Street since November, 2000. The lease at the current District Four substation ends October 31, 2012. The current space does not adequately accommodate critical functions necessary for the district's basic administrative operations. Due to the lack of space, the district's various units currently operate from three separate locations across the City. Also, the current location does not offer expansion capability.

The City has, for the past three years, sought space for a new district substation location. The search criteria for a new location has concentrated on identifying a larger space (approximately 8,000 square feet) in a location that is appropriate to the district as a whole. The pool of properties within the district boundary that meets the departmental requirements is very limited; however, numerous sites were considered for the substation's relocation.

General Services Department staff have negotiated a lease for 8,348 square feet of space at 2945 S. Miami Boulevard. The lease provides for a six year term with options to renew for two additional two year terms. The rental rate for the first year of the lease is \$10.69 per square foot per year. The rental rate for each succeeding year will increase by 3%. The Landlord will upfit the premises for the City's use at a cost not to exceed \$279,857.80. The Landlord estimates 125 days to upfit the space for the City's use. The City will reimburse the Landlord for its cost of providing the upfit by paying a monthly sum of \$5,184.60 over the initial six year term. Additionally, during the first year of the lease, the City will pay \$2,059.17 per month (\$2.96 per square foot) for the cost of taxes, insurance, and Common Area Maintenance. That rate for each succeeding year will increase or decrease by the actual costs incurred by Landlord with the Common Area Maintenance portion of the charge to be capped at an 8% annual increase.

### **Recommendation**

Authorize the City Manager to execute a lease with Raleigh Portfolio JH Retail, LLC in the amount of \$1,208,527.80, to authorize the City Manager to exercise extensions to the lease term up to four additional years, and to establish a lease upfit contingency in the amount of \$15,000.00, and to authorize the City Manager to negotiate and execute a lease

amendment for change orders arising out of the lease upfit in an amount not to exceed the lease upfit contingency.

### **Background**

The Police Department maintains district substations in each of the City's five districts. The District One substation located at 921 Holloway Street contains 15,698 square feet of space and also accommodates the Community Services Division. The District Two substation located at 5285 North Roxboro Road contains 6,547 square feet of space. The District Three substation located at 8 Consultant Place contains 7,000 square feet of space. The current District Four substation contains 3,400 square feet of space. The District Five substation located at 516 Rigsbee Avenue contains 15,150 square feet of space and also accommodates the Forensics Services Unit.

The goal of the Durham Police Department is to ensure that each Police district substation is "right sized" for the district's basic administrative operations. District Four is the final substation facility to be appropriately relocated.

Over the past two years, City of Durham General Services and Police Department staff have explored and toured several sites across the district. A partial list of sites considered is attached to this memo.

### **Issues/Analysis**

Housing all district four operations under one roof will help to facilitate improved command and control as well as communication. Currently, the district's HEAT (High Enforcement Abatement Team) and COP (Citizens on Patrol) unit are housed outside District Four. When all units are housed in a single location, employees can achieve greater operational efficiencies. Also, close proximity of subordinates contributes to improved supervision. In addition, much needed reception and transitional spaces are necessary for improved customer relations.

A change in the substation's location does not impact delivery of Police services, the number of officers assigned to uniform patrol, the number of beats in a district, or the response time of officers to calls. When the substation moves, officers in the district will continue to patrol the same areas. The level of neighborhood uniform patrol coverage will be maintained. Also, the new automated vehicle location (AVL) technology facilitates dispatch of the police car closest to an incident regardless of the district.

As stated previously, the proposed new proposed location will accommodate all District Four personnel in one location, and will include:

- Patrol room workspace for officers
- Space for multiple interview rooms
- Locker room and showers for employees
- Ample parking for 35 dedicated spaces and visitors
- Secured storage for files and equipment
- Multi-purpose space for community meetings, district event, and civic functions
- Improved suitability for Americans with Disabilities Act (ADA) best practices
- Ease of accessibility to major highways and thoroughfares (a map depicting the existing Durham Police districts and the proposed new location for district four is attached to this memo)

The Police Department will continue to maintain a presence at the current District Four location by relocating the Domestic Violence Unit (DVU) from the BB&T Building on South Duke Street. Additionally, District Four patrol officers will be able to continue use of the Fayetteville Street location to make pit stops and write reports (also contributing to Police presence in that area).

**Alternatives**

Enter into a new lease for District Four to remain in its current location. For the reasons stated above, this is not recommended.

**Financial Impact**

The term of the lease is for six years; the annual lease rate will increase each year by 3%. The monthly rent schedule is as follows:

Year	Rent	Upfit	TICAM	HVAC	Custodial
Year 1	\$7,436.68	\$5,184.60	\$2,059.17	\$73.33	\$1,290.00
Year 2	\$7,659.78	\$5,184.60	\$2,120.95	\$73.33	\$1,290.00
Year 3	\$7,889.57	\$5,184.60	\$2,184.58	\$73.33	\$1,290.00
Year 4	\$8,126.26	\$5,184.60	\$2,250.11	\$73.33	\$1,290.00
Year 5	\$8,370.05	\$5,184.60	\$2,317.62	\$73.33	\$1,290.00
Year 6	\$8,621.15	\$5,184.60	\$2,387.15	\$73.33	\$1,290.00
Extension Year 1	\$8,879.78	N/A	\$2,458.76	\$73.33	\$1,290.00
Extension Year 2	\$9,146.17	N/A	\$2,532.52	\$73.33	\$1,290.00
Extension Year 3	\$9,420.56	N/A	\$2,608.50	\$73.33	\$1,290.00
Extension Year 4	\$9,703.18	N/A	\$2,686.75	\$73.33	\$1,290.00

NOTE: TICAM will be paid in the actual amount incurred by Landlord based on the City's proportionate square footage of rentable space in the Landlord's Shopping Center. The TICAM charges for Common Area Maintenance are capped at 8% increases annually.

Rental rate includes the cost of the specified upfit, exterior and HVAC maintenance, taxes, Insurance, and custodial services.

Funds are available in the Police facilities rent account.

**SDBE Summary**

This item does not require review by the Equal Opportunity/Equity Assurance Department.

Attachments: Lease Agreement, Police District Map, Properties Considered for District Four Relocation, Lease Payment Worksheet