

DURHAM



CITY OF DURHAM | NORTH CAROLINA

1869

CITY OF MEDICINE

Date: August 20, 2013

To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Joel V. Reitzer, General Services Director
Subject: Extension of the Existing Lease Between the City of Durham and the Durham Arts Council, Inc.

Executive Summary

The current lease between the City of Durham and the Durham Arts Council, Inc. (DAC) expires October 13, 2013. Negotiations between the City and the DAC for a new and extended operational agreement have been ongoing, but are not complete. An extension of the existing lease through the end of the calendar year is recommended in the interim until a new long-term agreement can be completed.

Recommendation

The General Services Department recommends that City Council authorize the City Manager to enter into Amendment #2 to the lease between the City of Durham and the Durham Arts Council from October 14, 2013 through December 31, 2013, with payment for the additional time not to exceed \$139,805.03.

Background

Meetings between the DAC and the City of Durham began earlier this year and are ongoing. Additional time is needed to arrive at a more appropriate agreement between the parties. Such agreement would be multi-year and provide for the term, cost and benefits to the City.

Issues and Analysis

Regarding the amended terms for the extension, payment is prorated, paying the DAC 50% of the annual fee through December 31, 2013. Regarding the DAC facilities, the City would be responsible for warranties, and mechanical and electrical systems integrity, and the DAC would be responsible for all other maintenance and repairs.

General Services has developed a Facility Maintenance Plan for the DAC that is incorporated into the agreement, as a guide for facilities maintenance activities.

Alternatives

If the agreement is allowed to expire, there would be no contracted facility operator, and in such circumstance, the City would assume operational responsibilities, or close the building. The Administration does not advise choosing this alternative.

Financial Impact

The financial impacts will remain the same for the term of the amendment. To date, the DAC has been paid \$185,192.28 of their annual fee for this fiscal year. With the extension of the agreement, the DAC will be paid an additional \$139, 805.03. The subtotal of \$324,976.84 equals 50% of the total payment appropriated for FY 14 of \$649,953.68.

SDBE Summary

This is an agreement extension. The item was not reviewed by the Department of Equal Opportunity/Equity Assurance for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

Attachments: Lease Between the City of Durham and the Durham Arts Council, Inc. (Contract #2426)

Durham Arts Council, Inc. Contract Amendment #1

Amendment #2 to Lease Between the City of Durham and the Durham Arts Council, Inc.