



Legislation Text

File #: 17-0204R, **Version:** 1

RESOLUTION AUTHORIZING A THREE-YEAR AGREEMENT WITH ONE ROOF COMMUNITY HOUSING FOR THE LEASE AND MANAGEMENT OF THE CENTRAL HILLSIDE COMMUNITY CENTER FOR THE OPERATION OF ITS HOUSING DEVELOPMENT SERVICES.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to execute a three-year agreement, substantially the same as the agreement attached as Exhibit 1, with One Roof Community Housing for the lease of exclusive space and management of the community areas at the Central Hillside Community Center for the purpose of operating its housing development and other related services. Funds received under this agreement shall be deposited into Fund 205-130-1219-4803 (Parks Fund, Community Resources, Parks Operating, Rent Revenues).

STATEMENT OF PURPOSE: This resolution authorizes a three-year agreement with One Roof Community Housing ("One Roof") for the period March 1, 2017 through December 31, 2019 for the lease of exclusive space and management of the community areas at the Central Hillside Community Center, located at 12 E. Fourth Street ("Community Center"). One Roof has leased and managed the Community Center from the City since 2012 under a prior agreement.

One Roof's mission ("Mission") is to enrich lives and communities, one home at a time. One Roof makes home a better place by helping lower income people find and fix their homes and providing housing development services to the Duluth community. One Roof desires to continue to lease the Community Center for the advancement of its Mission and related services to the Duluth community.

One Roof shall lease the Community Center from the City at a reduced cost. The consideration for the lease at lower than market value shall instead be the improved value of the Community Center and public benefit provided by One Roof via its Mission and related services and management of the Community Center. The reduced lease rate is specifically conditioned upon One Roof's continuation of its housing development services to the community and management of the Community Center throughout the term of the agreement. For the foregoing reasons, the City agrees to a lease fee downward from the City's current calculated lease market price of \$14.00 per square foot for office space. In 2017, One Roof will pay approximately \$3.80 per square foot. In 2018, One Roof will pay \$5.25 per square foot. In 2019, One Roof will pay \$5.41 per square foot.

In consideration for the use of space, One Roof will pay to the City Seventeen Thousand Two Hundred Thirty-eight Dollars and 70/100ths (\$17,238.70) for the period March 1, 2017 through December 31, 2017. For the period January 1, 2018 through December 31, 2018, One Roof shall pay Twenty-five Thousand One Hundred Ninety-nine and 25/100ths Dollars (\$25,199.25). Rent shall increase three percent (3%) for the period January 1, 2019 through December 31, 2019. Under the terms of the lease, either party can terminate the agreement without cause with a 180-day notice to the either party.

In addition to One Roof's lease of exclusive space, they will be responsible for the management of the Community Center. One Roof's management duties include, but are not limited to, janitorial services, routine maintenance, management and supervision of the public space at the Central Hillside Community Center by community and other user groups, and scheduling recreational and community events and programs.