



Staff Report

TO: City Council
FROM: Jeff Hart, Public Works Director
DATE: April 18, 2023
SUBJECT: Lease Agreement With 4th Street Industrial Park, LLC for Public Works and Waste Water Temporary Relocation

Description Authorization of Lease Agreement between the City of Beaumont and 4th Street Industrial, LLC for the temporary relocation of Public Works and Waste Water staff.

Background and Analysis:

Public Works and Waste Water staff growth has created a need for additional space and accommodations. Currently, the Public Works Street's Department utilizes existing space for equipment and material storage at City Hall as well as an undersized corporation yard located at the northeast corner of Magnolia Avenue and 7th Street. Recent growth of the Street's Department is currently impacting City operations and has exceeded the capacity to accommodate current equipment and material storage needs.

Similarly, the City's Waste Water Department has limited capacity to house current, and projected staffing needs. Currently, the General Manager of Utilities, the Waste Water Supervisor, and collections staff share a singular office. In order to adequately accommodate the operational needs of the department, expansion is needed.

Ultimately, the City plans to develop the recently acquired property located at the southeast corner of 4th Street and Veile Avenue. The development will include a corporation yard for both the Street's Department and Community Services, as well as facilities for Transit and Fleet Services. The development will also include a new administration building which will provide office space for aforementioned departments. Ultimate development of this site is expected in approximately 3 years.

In order to accommodate the current needs of the departments, staff is proposing to lease office and yard space from 4th Street Industrial Park, LLC located at 252 West 4th Street. The site obtains approximately 5,000 square feet of office space, 4,800 square feet of warehouse space, and 1.5 acres of yard/site space. Staff has prepared the proposed office and site layout schematics which are shown in Attachment A.

Additionally, the Police Department has exceeded the capacity of its current facility to adequately accommodate current staff. The FY 22/23 CIP allocated \$750,000 to retrofit Building C, located at City Hall directly south of the current Transit parking area. Building C is antiquated and in need of significant restoration in order to make it habitable for use.

Staff is proposing that the Police Department relocate to Building B (located in between Building C and City Hall) as it is similar in size, and has recently been retrofitted to allow for immediate use. Currently, Public Works staff utilizes this space and should the lease agreement be approved would relocate to 252 West 4th Street. Minimal modifications would be required to accommodate the Police Department which would allow the much needed expansion to happen within 2 months rather than one, to one and a half years required to retrofit Building C. The budgeted amount of \$750,000 intended to be utilized is proposed to be reallocated to the future Police Department Headquarters project.

Authorization of the proposed lease agreement will allow City staff to immediately address current space limitations until proposed permanent expansion projects are constructed.

Fiscal Impact:

The estimated costs to prepare this staff report is \$250.

The monthly fee associated with the proposed lease agreement is \$11,500 per month with a proposed split of \$9,857 being paid from the existing Public Works budget, and the remaining \$1,643 being paid from the Waste Water budget. Monthly utilities and operational expenses are expected to be \$9,750 per month with the General Fund paying an estimated total of \$17,164 and Wastewater Fund paying an estimated total of \$4,087. Maintenance costs are borne by the lessor.

Recommended Action:

Authorize the City Manager to execute a 3-year lease agreement with an optional 1 year extension, with 4th Street Industrial, LLC for the property located at 252 West 4th Street.

Attachments:

- A. Proposed Site and Office Layout
- B. Draft Lease Agreement