

February 17, 2020

To: CRC Board Members

From: Jon Fure

Subject: Request to pursue a new office location for CRC

Board Members,

At the January 21, 2020 board meeting, we discussed our options for moving to a new location. Chris Beckstrom offered to help analyze the options, so he and I went to visit Osborn 370 on January 30. I had recommended moving to Osborn 370, and another potential option was to lease space within the Chamber of Commerce office in 401 Securian Center. Chris and I talked about the objective criteria that we should use to evaluate the pros and cons of each potential location.

Chair Shevek McKee and I also met with John Rupp last week. He has offered to give CRC an office in the Saint Paul Athletic Club building rent free for the remainder of 2020 or until the building is sold (we would then negotiate a lease with the new owner or consider other options at that time). Mr. Rupp plans to sell the building, and he believes that if CRC moves in, and if more people use the conference rooms and visit the office there, that will make more people familiar with the building and really see the potential as a community center / social club. In my opinion, this should not be a factor in making this decision. CRC can still support and / or advocate for the community center idea whether we move our office into the building or not.

Our lease expires at the end of May, but since our Annual Meeting is in June, it would be helpful if we could move one month earlier (May 1 instead of June 1). I asked our current landlord if we would need to pay for the entire month of May if we move out early, but I haven't yet gotten a response. For this analysis, I am assuming that we will need to pay rent in our current and new locations for the month of May.

This is the second time we will be moving in the 3-plus years that I have worked here. I think there is some value in moving periodically, but it creates potential for confusion. I occasionally get calls from City employees who tried to mail us something, and it was returned because they used our previous address. For those reasons, I recommend that we seek to sign a 5-year lease.

As all of you know, our work involves engaging all District 17 stakeholders in community planning activities, so it's important to have office space that is inviting and accessible. That's a really hard thing to measure. Two people can walk into a building, and one thinks it's beautiful and the other thinks it's ugly. If a place is in need of repair, one person could say it looks run-down while another person thinks it has character.

In my opinion, moving to Osborn 370 still would be the best option at this time. Per the board's motion at the January board meeting, I notified our current landlord that we will not be renewing our lease. The Osborn 370 building manager said the earliest we could move in would be May 1, and that assumes that we can finalize the lease and complete other logistics.

I am recommending that the board make a motion that authorizes the CRC officers to vote on a new lease at Osborn 370.

With those things in mind, here is a summary of the potential options:

#### **Price and terms of lease / impact on the CRC budget**

For each of the following options, CRC would spend less in rent than the budgeted \$9,000. Our 2020 budget has a projected shortfall of \$4,747, which we discussed when the budget was approved. We intend to raise money to

make up the difference. In any scenario, we will need to obtain grants and / or implement other fundraising strategies in order to be able to hire an intern and / or other staff.

- A. Osborn 370: \$627 per month, starting in May, and a 3% increase each year for a 5-year lease. Rent for the full year would be \$8,616, so the **projected budget shortfall would be reduced by \$384 (essentially a neutral impact on the budget)**. The **rent for 2021 would be \$7,635.67** (3% increase starting June 2021).
- B. Chamber: \$400 per month, starting in May, and other terms haven't been specified or requested. Rent for the full year would be \$6,800, so the **projected budget shortfall would be reduced by \$2,200**. If there is no annual increase, the **rent for 2021 would be \$4,800**. Even if there is a rent increase after the first year, this option would still be at \$2,000 less costly than Osborn 370.
- C. Athletic Club: \$0 per month, from June through at most December (depending on the sale of the building), and other terms haven't been specified or requested. The minimum rent for the year would be **\$3,600, which would eliminate the projected shortfall**, and \$653 would be available for other expenses. If the sale is completed in July or August, there will likely be additional rent expense, but even in a worst-case scenario, this would be the least costly option in the short term. The rent for 2021 is unknown.

In terms of price and budget impact, the Chamber seems to be the best option due to the uncertainty of the rent in 2021 at the Athletic Club. However, Osborn 370 also offers CRC a lower-priced option that what we are currently paying for office space, and the Athletic Club also has a lot of office space in different sizes, so it is likely that we would be able to find suitable space if the community center vision is achieved.

### **Convenient access for board members and the public**

Skyway access is one factor that has been discussed each time CRC has been faced with a decision to relocate, because that provides the most convenient access to the office and conference rooms. No other building has a large conference room on the skyway level similar to what we have in our current building.

- A. If we were to move to Osborn 370, people can get to the main lobby from the street or skyway, and people would then need to use the elevator to get to our office (on 7th floor) and meeting rooms (on 4th floor).
- B. The Chamber office is on the street level at 6th and Robert, and board meetings would be in the plaza in 400 Securian Center (across Robert Street from the office). There is elevator and escalator access to the office and board meeting area from the skyway level.
- C. The Athletic Club has an entrance / exit on the skyway level, but there is a small flight of stairs to get to the second floor. Anyone who needs or wants to avoid stairs would need to go to the street level and take the elevator to the office and meeting rooms (there are quite a few options for meeting rooms and offices).

All three options provide good skyway access. The stairs on the skyway level / 2nd floor of the Athletic Club building are probably not a significant problem, but some people might be less likely to attend our meetings or events, especially in winter, if they have access the building from the street level instead of skyway level. Our skyway committee members have been trying to recruit an accessibility advocate to serve as a committee member, and that has been a challenge. I'm concerned that it could be even more of a challenge if we meet in a space where people with accessibility needs have to go outside and use a different door, while everyone else can stay in the skyway system to access the meeting room.

### **Quality of office space and meeting rooms, and overall atmosphere**

- A. Osborn 370 has been recently renovated, and in my opinion offers the best overall atmosphere. Our board meetings would be in the largest conference room, and there are smaller rooms available for

committee meetings or informal meetings with a small number of people. There are a lot of tenants in the building that could be engaged in our work (for example, there are frequent networking events for tenants in the building, which would be a good way to meet prospective board members and / or people who would like to participate in community engagement and planning activities). (This video shows a view of the floor that has the meeting rooms that we would be using: <https://youtu.be/RCiylHaCtn4> )

- B. The Chamber also provides a good atmosphere, and it would be great to work in the same area as Channon Lemon and her colleagues. The main challenge is that the board meetings would need to be in an open area in 400 Securian Center, which can be distracting. If it's difficult for board members to hear each other, or if there are interruptions due to people walking by, those are serious drawbacks.
- C. The Athletic Club has the potential to offer great networking opportunities with other organizations, too, especially if the community center concept is successful. The atmosphere is welcoming, but if some of the spaces need to be renovated, there is a chance that our office and / or the meeting rooms will be unavailable at some point. There is also a slight risk that the building is sold to an owner that has a completely different vision for the building, and we could be forced to seek a new place again in 2021.

Please let me know if you have any questions or feedback on any of this.

Jon