

# A G E N D A

## BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

December 7, 2021 / December 7, 2021  
11:00 A.M. Lake Superior Room, 1<sup>st</sup> Floor  
Michigan Library and Historical Center

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This agenda is for general informational purposes only. At its discretion, the Building Committee may revise this agenda and may take up other issues at the meeting.

### **AWARD OF CONSTRUCTION CONTRACT**

1. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET, SAGINAW  
– Saginaw State Office Building – Electrical Switchgear Replacement  
File No. 171/19470.MAA - Contract No. Y22055  
Recommended Award: J & B Associates, LLC, Gladwin; \$1,525,900.00

#### **Description and Justification**

The purpose of this contract is to replace the electrical switchgear in the Saginaw State Office Building which is beyond the useful life expectancy. This will be done for the health, safety and welfare of the occupants.

#### **Funding Source**

100% Agency Operating Funds

### **AWARD OF PROFESSIONAL SERVICES CONTRACT**

2. DEPARTMENT OF CORRECTIONS, WHITMORE LAKE – Green Oaks Training Academy – Lodge  
File No. 472/22008.SDW - Contract No. Y22056  
Recommended Proposal: TowerPinkster, Kalamazoo; \$1,021,044.00

#### **Description and Justification**

The purpose of this contract is to provide professional design services for phases 300, 400, 500, 600, and 700 to design a 200-bed lodge to house agency recruits for the Green Oaks Training Academy. The contract is for the professional fees only with reimbursables being paid for out of agency funds. This agency has requested this work.

#### **Funding Source**

100% Lump Sum Special Maintenance Funds

### **MODIFICATION TO PROFESSIONAL SERVICES CONTRACTS**

3. DEPARTMENT OF CORRECTIONS, VARIOUS – Various Correctional Facilities  
– VMS and Perimeter Security Repairs/Replacement Phase II  
File No. 472/19307.RWG - Contract No. Y21048  
CommTech Design, Inc., Rockford; Modification No. 3, Increase \$244,429.35

**Description and Justification**

The purpose of this modification is to provide continued personnel and on going sub-contractor costs for the perimeter security system's design, repair, and replacement project for the various video management systems. This work additionally includes technology and control systems on the secure network at each site. The PSC will work with vendors and providers on managing and documenting all of the upgrades, repairs and changes to these security and technology systems.

**Funding Source**

100% Agency Operating Funds

Base Contract	\$244,664.00	
Modification No. 1	\$239,955.31	Approved on Director's Agenda 3/5/2021
Modification No. 2	\$ 240,007.10	Approved on Ad Board Agenda 9/7/2021
Modification No. 3	\$244,429.35	See Justification Above
<b>Total Contract</b>	<b>\$969,055.76</b>	

4. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, GRAND RAPIDS/SE MICHIGAN – Two New Veterans Homes – Planning for New Veterans Homes Homes File no. 511/17006.CAK - Contract No. Y17328  
TowerPinkster, Kalamazoo; Modification 21, Increase \$11,603.82

**Description and Justification**

The purpose of this modification is to provide design services to improve the exterior wayfinding signage. The agency has determined the existing signage does not provide adequate directions for visitors with all the changes that have occurred at the Grand Rapids complex.

**Funding Source**

100% Agency Operating Funds

Base Contract	\$768,082.31	
Modification No. 1	\$362,000.00	Approved on Director's Agenda 9/29/2017
Modification No. 2	\$136,116.10	Approved on Director's Agenda 3/16/2018
Modification No. 3	\$2,690,030.86	Approved on Ad Board Agenda 4/10/2018
Modification No. 4	-	Omitted
Modification No. 5	\$72,133.00	Approved on Ad Board Agenda 7/17/2018
Modification No. 6	\$395,700.00	Approved on Ad Board Agenda 7/17/2018
Modification No. 7	\$571,459.60	Approved on Ad Board Agenda 9/11/2018
Modification No. 8	\$76,603.88	Approved on Ad Board Agenda 12/18/2019

Modification No. 9	\$93,876.47	Approved on Ad Board Agenda 12/18/2019
Modification No. 10	\$45,200.00	Approved on Ad Board Agenda 1/8/2019
Modification No. 11	\$1,449,512.90	Approved on Ad Board Agenda 1/8/2019
Modification No. 12	\$102,327.00	Approved on Ad Board Agenda 3/12/2019
Modification No. 13	\$0.00	No Cost Change Order
Modification No. 14	\$6,003.96	Approved on Director's Agenda 8/2/2019
Modification No. 15	\$0.00	No Cost Change Order
Modification No. 16	\$55,366.71	Approved on Ad Board Agenda 4/7/2020
Modification No. 17	\$49,977.92	Approved on Ad Board Agenda 9/24/2020
Modification No. 18	\$10,002.39	Approved on Ad Board Agenda 2/16/2021
Modification No. 19	\$240,000.00	Approved Ad Board 4/28/2021
Modification No. 20	\$0.00	Approved on Ad Board Agenda 10/4/2021
Modification No. 21	\$11,603.82	See Justification Above
<b>Total Contract</b>	<b>\$7,135,996.92</b>	

**REVISIONS TO CONSTRUCTION CONTRACTS**

- DEPARTMENT OF CORRECTIONS, JACKSON – Southern Regional Administration – Various Fire Alarm and Suppression Systems Upgrades  
File No. 472/19220.RWG - Contract No. Y20331  
MKC Group, Inc., Bay City; CCO No. 1, Increase \$386,753.16

**Description and Justification**

The purpose of this change order is to add a fire pump per the agency's request.

**Funding Source**

54% Agency Operating Funds

46% Lump Sum Special Maintenance Funds

Base Contract	\$540,000.00	
Change Order No. 1	\$386,752.16	See Justification Above
<b>Total Contract</b>	<b>\$926,753.16</b>	

- DEPARTMENT OF CORRECTIONS, WHITMORE LAKE – Woodland Center Correctional Facility – Dialysis Housing Unit and Center  
File No. 472/20212.SDW - Contract No. Y20325  
RAS Contracting, Inc., Mason; CCO No. 10, Increase \$29,445.94

**Description and Justification**

The purpose of this change order is to add funding to the construction contract to cover the additional work. The added scope includes relocating inmate phones, concrete work at the relocated inmates' phones, and approximately 30 lineal feet of detainer hook razor ribbon on the fence by the phones. The change also includes a time extension of 10 working days. This work has been requested by the agency.

**Funding Source**

100% Agency Operating Funds

Base Contract	\$3,085,750.00	
Change Order No. 1	\$79,371.59	Approved on Director's Agenda 11/20/2020
Change Order No. 2	\$83,254.58	Approved on Director's Agenda 1/29/2021
Change Order No. 3	\$49,266.23	Approved on Director's Agenda 3/05/2021
Change Order No. 4	\$35,631.23	Approved on Director's Agenda 3/26/2021
Change Order No. 5	\$129,031.21	Approved on Director's Agenda 4/13/2021
Change Order No. 6	\$478,051.57	Approved on Ad Board Agenda 5/11/2021
Change Order No. 7	\$175,695.96	Approved on Ad Board Agenda 7/27/2021
Change Order No. 8	\$42,865.69	Approved on Ad Board Agenda 8/10/2021
Change Order No. 9	\$144,711.84	Approved on Ad Board Agenda 11/16/2021
Change Order No. 10	\$29,445.94	See Justification Above
<b>Total Contract</b>	<b>\$4,333,075.84</b>	

**ADDENDUM TO LEASE FOR PRIVATE PROPERTY**

7. DEPARTMENT OF STATE, OAK PARK – Addendum No. 1 to Lease No. 11574 with Parkwoods Plaza Center, LLC, a Michigan Limited Liability Company, 4036 Telegraph Road, Suite 201, Bloomfield Hills, MI 48302, as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of State, as Lessee, for 5,001 square feet of office space located at 13401 W. Ten Mile Road, Oak Park, MI 48237. This Addendum extends the term of this Lease another five years while providing improvements to the office. This Addendum is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning December 1, 2022, is \$16.00 (\$6,668.00 per month). Effective December 1, 2024, the annual per square foot rental rate for this space increases to \$17.60 (\$7,334.80 per month). This Addendum contains one additional 5-year renewal option with an annual per square foot rental rate of \$17.60 (\$7,334.80 per month). This is a full-service Lease. This Lease contains a Standard cancellation clause with 90-

days' notice. The Attorney General has approved this Addendum as to legal form.

**Purpose/Business Case:**

The purpose of this Addendum is to exercise the available renewal option at the current rate for the first 2-years of the 5-year term with the Lessor providing new carpet, paint and window blinds. This office provides the Department of State with a location that continues to meet the service needs for the citizens of Oakland County.

**Benefit:**

The extension of this Lease allows the Department to remain at its current location and benefit with a rent savings of \$16,003.20 for the first 2-years of the option term. The rental rate is within current market rates for comparable space.

**Funding Source:**

0.61% General Fund; 99.39% Restricted Funds (TACF- 83.38%, Auto Repair Facilities Fees- 1.27%, Driver Fees- 6.75%, Parking Ticket Court Fines- 4.23%, Enhanced Driver License & Personal ID- 3.76%)

**Commitment Level:**

Five-years, with one 5-year renewal option; however, this Lease contains a Standard cancellation clause with 90-days' notice.

**Risk Assessment:**

Non-approval of this Addendum will hinder the Department from continuing to provide uninterrupted service in Oak Park while securing a rent savings and renovations to the office. It may require the Department to relocate to a new location and incur increased costs.

**Zip Code:**

48237

8. DEPARTMENT OF STATE, SHELBY TOWNSHIP – Addendum No. 3 to Lease No. 11149 with Summit Corporate Centre, LLC, and subsequently assigned to Summit Professional Building LLC, and subsequently assigned to Summit Retail Center LLC, as Lessor, whose address is 30078 Schoenherr Road, Suite 300, Warren, MI 48088, and the State of Michigan by the Department of Technology, Management & Budget for the Department of State, as Lessee, for 5,500 square feet of office space located at 50640 Schoenherr Road, Shelby Township, MI 48315. This Addendum extends the term of this Lease another five years while providing a rent savings to the Department. This Addendum is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning October 1, 2021, is \$23.99 (\$10,995.42 per month). This Addendum contains one additional 5-year renewal option with an annual per square foot rental rate of \$25.25 (\$11,572.92 per month). This rate does not include janitorial service and supplies. This Lease contains a Standard cancellation clause with 90-days' notice. The Attorney General has approved this Addendum as to legal form.

**Purpose/Business Case:**

The purpose of this Addendum is to exercise the available renewal option with a reduction in the previously negotiated rental rate. This office provides the Department of

State with a location that continues to meet the service needs for the citizens of Macomb County.

**Benefit:**

The extension of this Lease allows the Department to remain at its current location and benefit with a rent savings of \$27,500.00 for the option term. The rental rate is within current market rates for comparable space.

**Funding Source:**

0.61% General Fund; 99.39% Restricted Funds (TACF- 83.38%, Auto Repair Facilities Fees- 1.27%, Driver Fees- 6.75%, Parking Ticket Court Fines- 4.23%, Enhanced Driver License & Personal ID- 3.76%)

**Commitment Level:**

Five-years, with one 5-year renewal option; however, this Lease contains a Standard cancellation clause with 90-days' notice.

**Risk Assessment:**

Non-approval of this Addendum will hinder the Department from continuing to provide uninterrupted service in Shelby Township while securing a rent savings. It may require the Department to relocate to a new location and incur increased costs.

**Zip Code:**

48315

9. DEPARTMENT OF NATURAL RESOURCES, ALLENDALE – Addendum No. 2 to Lease No. 10967 with RDR Development, LLC, subsequently assigned to, Allen Park Holdings LLC, a Michigan Limited Liability Company, P.O. Box 175, Allendale, MI 49401, as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of Natural Resources, as Lessee, for 9,000 square feet of warehouse space located at 4876 Allen Park Drive, Allendale, MI 49401. This Addendum extends the term of this Lease another ten years. This Addendum is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning October 1, 2022, is \$5.96 (\$4,470.00 per month). Effective October 1, 2025, the annual per square foot rental rate increases to \$6.38 (\$4,785.00 per month). Effective October 1, 2028, the annual per square foot rental rate increases to \$6.83 (\$5,122.50 per month). This rate does not include public utilities or janitorial service and supplies. This Lease contains a Standard cancellation clause with 90-days' notice. The Attorney General has approved this Addendum as to legal form.

**Purpose/Business Case:**

The purpose of this Addendum is to add an additional 10-years to the term of this Lease.

**Benefit:**

This warehouse space will continue to provide DNR with secure storage space for the equipment used by their field staff. The rental rate is within the current market rates for comparable space.

**Funding Source:**

100% General Fund

**Commitment Level:**

Ten-years; however, this Lease contains a Standard cancellation clause with 90-days' notice.

**Risk Assessment:**

Non-approval of this Addendum will hinder DNR from maintaining needed warehouse space which provides the Department with a location to protect its equipment from the weather and theft when not used by DNR field staff.

**Zip Code:**

49401

10. DEPARTMENT OF ENVIRONMENT, GREAT LAKES & ENERGY, GAYLORD – Addendum No. 2 to Lease No. 10706 with Norman C. Van Wormer and subsequently assigned to Dedrick Investments, LLC, a Michigan Limited Liability Company, 903 N. Euclid Ave., Bay City, MI 48706, as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of Environment, Great Lakes & Energy (EGLE), as Lessee, for 15,000 square feet of office space located at 2100 West M-32, Gaylord, MI 49735. This Addendum extends the term of this Lease another five years while reducing the rental rate. This Addendum is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning November 1, 2021, is \$12.00 (\$15,000.00 per month). This rate does not include public utilities, janitorial service and supplies, landscaping services or dumpster service. This Lease contains a Standard cancellation clause with 90-days' notice. The Attorney General has approved this Addendum as to legal form.

**Purpose/Business Case:**

The purpose of this Addendum is to add a renewal option at a reduced rate. This office provides the Department of EGLE with a location that continues to meet the service needs for the citizens of Otsego County and the surrounding Counties.

**Benefit:**

The extension of this Lease allows the Department to remain at its current location and benefit with a rent savings of \$24,000.00 for the option term. The rental rate is within current market rates for comparable space.

**Funding Source:**

25% General Fund; 75% Restricted Funds (41 individual restricted funds)

**Commitment Level:**

Five-years; however, this Lease contains a Standard cancellation clause with 90-days' notice.

**Risk Assessment:**

Non-approval of this Addendum will hinder the Department from continuing to provide uninterrupted service in northern lower Michigan while securing a rent savings. It may require the Department to relocate to a new location and incur increased costs.

**Zip Code:**

49735

11. DEPARTMENT OF LABOR & ECONOMIC OPPORTUNITY, GROSSE POINTE WOODS – Addendum No. 2 to Lease No. 10225 with Pointe Plaza Limited Partnership, subsequently assigned to Pointe Plaza Development, LLC, 17800 Laurel Park Drive, Suite 200 C, Livonia, MI 48152, as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of Labor & Economic Opportunity, as Lessee, for 4,625 square feet of office space located at 19251 Mack Avenue, Suite 525, Grosse Pointe Woods, MI 48236. This Addendum extends the term of this Lease another ten years. This Addendum is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning June 1, 2022, is \$30.50 (\$11,755.21 per month). Effective June 1, 2027, the annual per square foot rental rate increases to \$33.00 (\$12,718.75 per month). This rate does not include public utilities. This Lease contains a Standard cancellation clause with 90-days' notice. The Attorney General has approved this Addendum as to legal form.

**Purpose/Business Case:**

The purpose of this Addendum is to add an additional ten-years to the term of this Lease.

**Benefit:**

This office space will continue to provide the Department of LEO with a location for their MRS program that meets the service needs of their clients. The rental rate is above the current market rates for comparable space.

**Funding Source:**

21.3% General Fund, 78.7% Federal Funds

**Commitment Level:**

Ten-years; however, this Lease contains a Standard cancellation clause with 90-days' notice.

**Risk Assessment:**

Non-approval of this Addendum will hinder the Department from continuing to provide uninterrupted service in Wayne County.

**Zip Code:**

48236

**RESOLUTION OF THE STATE ADMINISTRATIVE BOARD APPROVING THE CONVEYANCE OF PROPERTY**

12. Department of Corrections St. Louis Correctional Facility

A parcel of land in the NE 1/4 of section 19, T12N, R2W, Bethany Township, Gratiot County, Michigan and more particularly described as beginning at the E 1/4 corner of said section 19; thence N89°40'10"W 1979.74 feet, on the E-W 1/4 line of said section 19; thence N00°22'14"E 881.82 feet; thence N89°41'20"W 489.91 feet; thence N00°20'40"W 154.69 feet; thence N89°41'58"W 188.76 feet, to the N-S 1/4 line of said section 19; thence N00°20'40"W 286.17 feet, on said N-S 1/4 line to the north line of the S 1/2 of the NE 1/4 of said section 19; thence S89°41'56"E 2656.99 feet, on said north line to the east line of said



section 19; thence S00°04'15"W 1323.76 feet, on said section line to the point of beginning, containing 66.26 acres, more or less.

2021-0333044-A/SBA St. Louis Correctional Facility Reconveyance/Exhibit A

**Purpose/Business Case:**

The State Building Authority is the State's primary capital outlay funding mechanism for projects that would otherwise be paid for by the General Fund. The above referenced facility was originally financed by the Authority and leased to the State of Michigan in December 1999. The bonds associated with this facility have been paid in full and the lease has been canceled.

**Benefit:**

The approval of this resolution will allow the State Building Authority to convey the facility to the State of Michigan.

**Funding Source/Commitment Level:**

The final rental payment associated with this project was made July 2021.

**Risk Assessment:**

If this resolution is not approved, the property will be retained by the State Building Authority and will not revert back to the State of Michigan.

**Zip Code:**

48880

# SUPPLEMENTAL AGENDA

## BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

December 7, 2021 / December 7, 2021  
11:00 A.M. Lake Superior Room, 1<sup>st</sup> Floor  
Michigan Library and Historical Center

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### **AWARD OF CONSTRUCTION CONTRACT**

1. DEPARTMENT OF HEALTH AND HUMAN SERVICES, NORTHVILLE –  
Hawthorn Center – Boilers  
File No. 491/21160.SDW - Contract No. Y22058  
Recommended Award: Antler Construction Company, Inc., Canton; \$773,000.00

#### **Description and Justification**

The purpose of this contract is to remove and replace the boilers in machine rooms D-27, G03 and H-101 along with providing a new boiler in machine room B-27. The work is to include all new breeching, hot water piping, controls, roof penetrations, rework of piping as required, electrical modifications and all associated accessories. This work is needed as the existing boilers have outlived their life expectancy and are in a constant need of repair and the new boiler is required by Joint Commissions and CMS.

#### **Funding Source**

100% Lump Sum Special Maintenance Funds

### **REVISIONS TO CONSTRUCTION CONTRACT**

2. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET, JACKSON  
– Jackson State Office Building – Building Renovations  
File No. 171/16322.RWG - Contract No. Y18259  
RAS Contracting, Inc., Mason; CCO No. 15, Increase \$54,815.95

#### **Description and Justification**

The purpose of this change order is to provide a new lobby floor coating system and relocate a unit heater to the recycling storage as requested by the agency.

#### **Funding Source**

100% Agency Operating Funds

Base Contract	\$3,870,000.00	
Change Order No. 1	\$0.00	No Cost Change Order

Change Order No. 2	\$0.00	No Cost Change Order
Change Order No. 3	\$18,287.04	Approved on Director's Agenda 11/2/2018
Change Order No. 4	\$0.00	No Cost Change Order
Change Order No. 5	\$78,744.14	Approved on Director's Agenda 12/14/2018
Change Order No. 6	\$25,592.73	Approved on Director's Agenda 1/25/2019
Change Order No. 7	\$0.00	No Cost Change Order
Change Order No. 8	\$0.00	No Cost Change Order
Change Order No. 9	\$0.00	No Cost Change Order
Change Order No. 10	\$2,033,433.54	Approved on Ad Board Agenda 5/7/2019
Change Order No. 11	\$0.00	No Cost Change Order
Change Order No. 12	\$527,453.80	Approved on Ad Board Agenda 2/25/2020
Change Order No. 13	\$0.00	No Cost Change Order
Change Order No. 14	\$117,573.60	Approved on Ad Board Agenda 7/13/2021
Change Order No. 15	\$54,815.95	See Justification Above
<b>Total Contract</b>	<b>\$6,725,900.80</b>	

### **ADDENDUM TO LEASE FOR PRIVATE PROPERTY**

3. DEPARTMENT OF STATE, ADRIAN - Addendum No. 1 to Lease No. 11523 approved by the State Administrative Board on August 30, 2011, between The County of Lenawee, 310 N. Main Street, Adrian, MI 49221 as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of State, as Lessee, for 3,469 square feet of office space located at 1040 S. Winter, Adrian, MI 49221. This Addendum provides for modifying the rental rate for the renewal option, revising the carpet replacement language and exercising the available 5-year option. This Addendum is effective upon obtaining State Administrative Board approval and required signatures and continues to the termination date of the November 30, 2026, or any extension. The annual per square foot rental rate for this space beginning December 1, 2021, is \$14.21 (\$4,107.87 per month). Effective June 1, 2023, the annual per square foot rental rate for this space increases to \$16.60 (\$4,798.78 per month). This is a full-service Lease. This Lease contains a Standard cancellation clause with 90-days' notice. The Attorney General has approved this Addendum as to legal form.

**Purpose/Business Case:**

The purpose of this Addendum is to revise the rental rate for the renewal option; revise the carpet replacement language and exercise the available option.

**Benefit:**

This Addendum will provide a cost savings to the Department with a reduced rental rate for the renewal option and will allow the Department to remain in a space that is working well for them. The rental rate is within current market rates.

**Funding Source:**

0.61 % General Fund; 99.39% Restricted Funds (Auto Repair Facility Fees-1.27%, Driver Fees- 6.75%, Enhanced DL & Enhanced Official State PID Card Fund- 3.76%, Parking Ticket Court Fines-4.23%, Transportation Administration Collection Fund- 83.38%)

**Commitment Level:**

Five years; however, this Lease contains one additional 5-year renewal option and a Standard cancellation clause with 90-days' notice.

**Risk Assessment:**

Non-approval of this Lease will hinder the Department from realizing a rent savings with a reduced rental rate for the first 18 months of the renewal option and could cause the Department to incur additional expenses in relocation costs.

**Zip Code:**

49221

4. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, FLINT - Addendum No. 1 to Lease No. 11577 approved by the State Administrative Board on January 15, 2013, between Shapiro II, L.L.C. as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of Military and Veterans Affairs, as Lessee, for 1,800 square feet of space located at 3292 S. Linden Road, Flint, MI 48507. This Addendum provides for adding an additional 5-year renewal option at the same current rate. This Addendum is effective upon obtaining State Administrative Board approval and required signatures and continues to the termination date of September 30, 2027, or any extension. The annual per square foot rental rate for this space beginning October 1, 2022, is \$24.00 (\$3,600.00 per month). This rate does not include janitorial services and supplies. This Lease contains a Standard cancellation clause with 90-days' notice. The Attorney General has approved this Addendum as to legal form.

**Purpose/Business Case:**

The purpose of this Addendum is to renew the lease for an additional five years at the same existing rental rate.

**Benefit:**

There will be no need to consider relocating and/or spending money to relocate. Rental rate stays the same and is within current market rates for comparable space.

**Source of Funds:**

100% Federal

**Commitment Level:**

Five years; however, this Lease contains a Standard cancellation clause with 90-days' notice.

**Risk Assessment:**

Non-approval of this Addendum will hinder the Department by having to relocate that may require them to incur heavy relocation costs.

**Zip Code:**

48507

5. DEPARTMENT OF HEALTH & HUMAN SERVICES, LUDINGTON – Addendum No. 2 to Sub-Lease No. 10318 with Mason County, a Municipal Corporation located at 304 E. Ludington Ave., Ludington, MI 49431, as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of Health & Human Services, as Lessee, for 10,477 square feet of office space located at 915 Diana Street, Ludington, MI 49431. This Addendum extends the term of this Lease another 10 years. This Addendum is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning December 23, 2021, is \$3.84 (\$3,352.64 per month). Effective January 1, 2027, the annual per square foot rental rate increases to \$4.95 (\$4,321.76 per month). This rate does not include public utilities, janitorial service and supplies, pest control, or dumpster service. This Lease contains a Standard cancellation clause with 90-days' notice. The Attorney General has approved this Addendum as to legal form.

**Purpose/Business Case:**

The purpose of this Addendum is to add an additional 10-years to the term of this Sub-Lease.

**Benefit:**

The extension of this Sub-Lease allows the Department to remain at its current location and benefit from the Lessor providing new carpet throughout the office. The rental rate is below current market rates for comparable space.

**Funding Source:**

45% General Fund, 55% Federal Funds

**Commitment Level:**

Ten-years; however, this Lease contains a Standard cancellation clause with 90-days' notice.

**Risk Assessment:**

Non-approval of this Addendum will hinder the Department from continuing to provide uninterrupted service in Mason County and obtain improvements to the office. It may require the Department to relocate to a new location and incur increased costs.

**Zip Code:**

49431

## **LEASE FOR PRIVATE PROPERTY**

6. DEPARTMENT OF STATE, STANDISH - Renewal Lease No. 7879-2021 with Standish Plaza Associates, 606 Handy Drive, Bay City, MI 48706, as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of State, as Lessee, for 1,708 square feet of office space located at 529 Main Street, Standish, MI 48658. This Lease is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning January 1, 2023, is \$9.06 (\$1,289.54 per month). This rate does not include public utilities and janitorial services and supplies. This Lease contains two 5-year renewal options with an annual per square foot rental rate of \$9.51 (\$1,353.59 per month). This Lease contains a Standard cancellation clause with 90-days' notice. The Attorney General has approved this Lease as to legal form.

### **Purpose/Business Case:**

To renew the lease for the Department of State located in Standish, MI.

### **Benefit:**

Allows DOS to remain in space that works well for them in Standish. The rental rate is within current market rates.

### **Funding Source:**

0.61% General Fund; 99.39% Restricted Funds (TACF- 83.38%, Auto Repair Facilities Fees- 1.27%, Driver Fees- 6.75%, Parking Ticket Court Fines- 4.23%, Enhanced Driver License & Personal ID- 3.76%)

### **Commitment Level:**

Five Years; however, this Lease contains two 5-year renewal options and a Standard cancellation clause with 90-days' notice.

### **Risk Assessment:**

Non-approval of this Lease will hinder the Department from remaining in space that works well for them and their clients and could result in incurred costs to relocate to alternate space.

### **Zip Code:**

48658