

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

A RESOLUTION authorizing the County Executive to execute a thirty-six month extension to the lease agreement with Space Center Kansas City, Inc., of Independence, MO, for use by the Recorder of Deeds Department, at an annual cost to the County not to exceed \$199,500.00 and total cost to the County over the life of the lease, not to exceed \$598,500.00, as a sole source purchase.

RESOLUTION NO. 18030, November 27, 2012

INTRODUCED BY Scott Burnett, County Legislator

WHEREAS, the County has a need for the continued leasing of climate-controlled records storage and office space for use by the Recorder of Deeds' Records Center; and,

WHEREAS, by Resolution 11036, dated November 27, 1995, the County Legislature did authorize the execution of a three-year lease agreement with Space Center Kansas City of Independence, MO, with two optional five year extensions; and,

WHEREAS, subsequent authorized extensions will end on December 31, 2012; and,

WHEREAS, the Recorder of Deeds and representatives of the Circuit Court have been examining the availability of digitizing the records stored at the Records Center, however that process is in the early stages and will require the availability of a storage facility for at least three more years; and,

WHEREAS, section 1030.1, Jackson County Code, 1984, eliminates the requirement for competitive bidding when the items to be acquired can be obtained from only one source;

and,

WHEREAS, the Director of Finance and Purchasing recommends an extension to the existing lease agreement with Space Center Kansas City, Inc., of Independence, MO, as a sole source provider, because Space Center is the current provider and moving the records to a new storage site for three years while the digitizing option is being studied would be cost prohibitive; and,

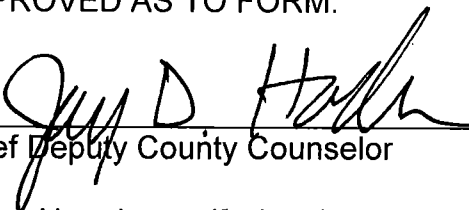
WHEREAS, this extension will be effective January 1, 2013, and will result in a reduction in costs in the amount of \$1,120.00 per month over the previous agreement, with the availability of funds for future years subject to annual appropriation; now therefore,

BE IT RESOLVED by the County Legislature of Jackson County, Missouri, that the County Executive be and hereby is authorized to execute an extension to the lease agreement with Space Center, in a form to be approved by the County Counselor, for an amount not to exceed \$199,500.00 for 2013; and,

BE IT FURTHER RESOLVED that the Director of Finance and Purchasing be and hereby is authorized to make all payments, including final payment on the agreement, subject to annual appropriation.

Effective Date: This Resolution shall be effective immediately upon its passage by a majority of the Legislature.

APPROVED AS TO FORM:

 _____
Chief Deputy County Counselor County Counselor

I hereby certify that the attached resolution, Resolution No. 18030 of November 27, 2012, was duly passed on December 3, 2012 by the Jackson County Legislature. The votes thereon were as follows:


Yeas 9

Nays 0

Abstaining 0

Absent 0

12.3.12
Date


Mary Jo Spino, Clerk of Legislature

Funding for future years is subject to annual appropriation in the County's then current budget.

November 19 2012
Date


Director of Finance and Purchasing

REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:

Res/Ord No.: ~~18030~~ 18030

Sponsor(s): ~~XX~~ Scott Burnett

Date: November 27, 2012

<p>SUBJECT</p>	<p>Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance</p> <p>Project/Title: <u>Requesting approval of an Addendum to an Existing Lease for the Recorder of Deeds' Records Center which will provide a Thirty-Six Month Lease Extension from Space Center Kansas City, Inc. of Independence, MO, at a cost not to exceed \$ 598,500.00 as a sole source for the period January 1, 2013 through December 31, 2015.</u></p>										
<p>BUDGET INFORMATION <i>To be completed By Requesting Department and Finance</i></p>	<table border="1" data-bbox="347 638 1187 940"> <tr> <td>Amount authorized by this legislation this fiscal year:</td> <td>0</td> </tr> <tr> <td>Amount previously authorized this fiscal year:</td> <td>\$213,000</td> </tr> <tr> <td>Total amount authorized after this legislative action:</td> <td>\$199,500.00</td> </tr> <tr> <td>Amount budgeted: January 1, 2013 – December 31, 2013 for this item * (including transfers):</td> <td>\$199,500.00</td> </tr> <tr> <td>Source of funding (name of fund) and account code number</td> <td>General Fund, Records Center Rent, and Rent – Buildings 001-3005-56620</td> </tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$199,500.00</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input type="checkbox"/> No budget impact (no fiscal note required) <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: Estimated Use: \$</p> <p>Prior Year Budget (if applicable): \$213,000 Prior Year Actual Amount Spent (if applicable): \$213,000</p>	Amount authorized by this legislation this fiscal year:	0	Amount previously authorized this fiscal year:	\$213,000	Total amount authorized after this legislative action:	\$199,500.00	Amount budgeted: January 1, 2013 – December 31, 2013 for this item * (including transfers):	\$199,500.00	Source of funding (name of fund) and account code number	General Fund, Records Center Rent, and Rent – Buildings 001-3005-56620
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<p>PRIOR LEGISLATION</p>	<p>Prior ordinances and (date):</p> <p>Prior resolutions and (date): #16850, April 17, 2009</p>										
<p>CONTACT INFORMATION</p>	<p>RLA drafted by (name, title, & phone): Robert T. Kelly, Director, Recorder of Deeds Department, 881-3191</p>										
<p>REQUEST SUMMARY</p>	<p>In 1995 the Purchasing Department solicited formal, written proposals on Request for Proposal No. 117-95 for the furnishing of Office and Climate Controlled Record Storage Space for use by the Recorder of Deeds' Records Center. Request for Proposal No. 117-95 was awarded to Space Center Kansas City of Independence, Missouri for an initial three year term with two optional five year extensions which expired March 31, 2009 via Resolution No. 11036 dated November 27, 1995. Per Resolution #16850, dated April 17, 2009 a three-year extended lease was approved through March 31st, 2012 providing two additional, two-year extensions. The first of the two extensions expires March 31, 2014.</p> <p>Pursuant to Section 1030.1 of the Jackson County Code, 1984, the Director of Finance and Purchasing requests approval of an Addendum to the Existing Lease for the Recorder of Deed's Record Center, which will provide a Thirty-Six Month Extension, with Space Center Kansas City, Inc. of Independence, Missouri for a total estimated amount of \$598,500.00 as a Sole Source. Amount is estimated for three years; rent amount is fixed, the Common Area Maintenance (CAM) fees vary depending upon the Consumer Price Index, therefore the CAM amount is estimated in this figure.</p>										

	<p>The attached Memorandum, with the supporting documentation from Mr. Shawn Hennessee, Assistant Director for the Recorder of Deeds details the reasons this Addendum to the original lease should be considered as a Sole Source Purchase.</p> <p>Whereas it is in the best interest of the County to restructure and extend the lease with Space Center Kansas City, Inc.,</p> <p>This action will reduce the lease amount.</p> <p>Requesting approval for payment in the amount of \$598,500.00 for the contract period of January 1, 2013 through December 31, 2015.</p>	
CLEARANCE	<input type="checkbox"/> Tax Clearance Completed (Purchasing & Department) <input type="checkbox"/> Business License Verified (Purchasing & Department) <input type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)	
ATTACHMENTS	Resolution No. 16850, memorandum with supporting documentation from Shawn Hennessee, Quote from Space Center Kansas City and Proposed Lease Addendum.	
REVIEW	Department Director:	Date:
	<i>Robert T. Kelly</i>	<i>11-15-12</i>
	Finance (Budget Approval): <i>If applicable</i>	Date:
	<i>William S. Ball</i>	<i>11-15-12</i>
Division Manager:	<i>[Signature]</i>	Date: <i>11/20/12</i>
County Counselor's Office:		Date:

Fiscal Information (to be verified by Budget Office in Finance Department)

- This expenditure was included in the annual budget.
- Funds for this were encumbered from the _____
- There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- Funds sufficient for this expenditure will be/were appropriated by Ordinance # _____
- Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:

- This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- This legislative action does not impact the County financially and does not require Finance/Budget approval.
- Funds for future years are subject to appropriation in the then current budget.

Memo

To: Shawn Hennessee
From: Barbara Casamento
CC:
Date: 11/14/2012
Re: Records Center Lease Renewal

The Jackson County Recorder of Deeds (ROD) currently leases approximately 55,000 square feet of floor space in an environmentally controlled underground facility (amounting to over 4,500,000 sq. ft. of usable space) for the storage of records from both the Courts and other County Departments. This Records Center (RC) is located just off Highway 291 and Truman Road (1560 West GeoSpace Drive, Independence, MO 64056) and the lease was initially signed and went into effect in April of 1996. Additional lease extensions were utilized to maintain the lease on the Records Center facility to the present date. Currently, the vast majority of records stored and retrieved from the facility on a daily basis are from the court system. The remaining files are from County Executive departments, the Sheriff and other agencies. Hundreds of files are sent from and returned to the RC on a daily basis. The Recorder of Deeds maintains and pays for employees at the Records Center from its Recorders Fund to operate the facility and the Courts fund 1 employee at the facility.

The initial monthly fee for leasing of this space was \$15,079.00 dollars in 1996, which included additional Common Areas Maintenance (CAM) fees. The CAM fee will vary depending on the Consumer Price Index etc. The current lease for this facility amounts to \$2.69 per sq.ft plus the CAM. With the addition of the CAM, we are currently paying \$3.60 per sq.ft. The Recorder of Deeds (ROD) approached the GeoSpace center to see if they would be willing to reduce the rent fees in exchange for an extension of the lease term. This proposed 5th Addendum to the lease for another 3 year lease extension envisions a reduction in total lease costs to \$3.35 per sq.ft. from the current \$3.60 per sq.ft. The proposed restructured lease monthly fee will be \$15,368.17 per month and result in an annual savings of \$13,450 over the current lease price and CAM fees. (A breakdown of the current and proposed lease costs is attached)

The Recorder of Deeds and the Courts have been examining the availability of digitizing the contents of the Records Center. This digitization effort would help address storage capacity issues encountered at the Records Center and would also make the retrieval and storage of records much easier to accomplish. However, even if sufficient funding were made available for a large scale digitizing effort, we will still need a storage facility for at least three additional years while both the Courts and Jackson County undertake a digitizing effort.

Due to the uncertainty of funding for any digitizing project, as well as the need to continue to maintain a Records Center facility in the interim, we believe that a restructured lease on a three year basis represents the best option. This will allow the ROD and the Courts to pursue a digitizing effort that will allow us to significantly shrink the size of the facility needed for records storage. The fundamental goal the ROD is to digitize as much of the records that are stored at the RC to preserve space and make for more efficient retrieval and utilization of records.



Space Center Kansas City, Inc.

October 4, 2012

VIA EMAIL

Mr. Robert Kelly
Director
Jackson County Recorder of Deeds
415 East 12th Street
Kansas City, MO 64106

RE: Lease restructure and extension

Dear Bob,

Thank you for explaining the county's difficult financial situation. Although we typically would not restructure an existing lease in such a manner without a more meaningful "quid pro quo" we are willing to offer the following modification to your lease as a good faith gesture for a long term customer. In exchange for reducing your rent by \$13,450 per year we ask for a three year extension, with a new maturity of 12/31/15. Our proposal is as follows:

<i>Current Lease</i>	<u>Annual \$/SF</u>	<u>Monthly \$</u>
Gross Rent	\$3.60	\$16,489.00
CAM	<u>\$0.91</u>	<u>\$4,159.83</u>
Net Rent	\$2.69	\$12,329.17

<i>Restructured Lease</i>		
Gross Rent	\$3.35	\$15,368.17
CAM	<u>\$0.91</u>	<u>\$4,159.83</u>
Net Rent	\$2.45	\$11,208.34

This savings would amount to \$1,120 per month.

I hope this concession is satisfactory to Jackson County. Please don't hesitate to contact me if you have any questions.

Best regards,

A handwritten signature in cursive script, appearing to read "W. Cowan".

Vice President

Space Center Kansas City, Inc.
1500 W. GeoSpace Dr. Independence, Mo 64056
Phone: 816.257.7770 Fax 816.257-4773
Wcowan@SpaceCenterInc.com

FIFTH ADDENDUM TO LEASE AGREEMENT

This Addendum made and entered into this ____ day of _____, 2012 by and between SPACE CENTER KANSAS CITY, INC., a successor in interest to GeoSpace Joint Venture, 1500 West GeoSpace Drive, Independence, MO 64056 ("Lessor"), and JACKSON COUNTY MISSOURI, a First Class Constitutional Home Rule Charter County (hereinafter "Lessee").

RECITALS:

WHEREAS, Lessor and Lessee entered into a Lease Agreement the 29th day of December, 1995; and

WHEREAS, Lessor and Lessee amended the Lease Agreement on March 3rd, 1999, March 1st, 2000, January 24th, 2004, and April 17th, 2009; and

WHEREAS, Lessor and Lessee desire to further amend the Lease to modify the rental rate and extend the term; and

NOW THEREFORE, the parties hereto agree as follows:

1. Paragraph 2 of the Lease is deleted and restated as follows:

“2. **Term**. This lease is for an extended term (“Extended Term”) of Three (3) years commencing January 1st, 2013 and ending on December 31st, 2015, unless sooner terminated under any provision of this lease.”

2. **Rent**: Lessee shall pay as rent for the Premises during the extended term hereof the total sum of Four Hundred Three Thousand Five Hundred Dollars and 24/100 (\$403,500.24), payable in equal monthly installments of Eleven Thousand Two Hundred Eight Dollars and 34/100 (\$11,208.34) per month plus the then in effect Annual Base Rent adjustments for Common Area Maintenance, building maintenance, janitorial expenses and taxes during the term hereof, without deduction or set off, on the first day of each month. The current 2012 Expenses are \$4,159.83 per month.
3. Except as modified hereby, all terms and conditions of the Agreement and any other addenda thereto shall govern the occupancy of the Premises and all additions thereto during the remaining term of the Lease.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Fourth Addendum to Lease on the date first above written.

APPROVED AS TO FORM:

JACKSON COUNTY, MISSOURI

County Counselor

By: _____
MIKE SANDERS
County Executive

ATTEST

SPACE CENTER KANSAS CITY, INC.,
a Minnesota corporation

Clerk of the Legislature

By: _____
WES COWAN
Its: Vice President