

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 30, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #53: RENT INCREASES (COUNCILMAN MACDONALD'S REQUEST)

This is in response to Councilman Macdonald's request for the rent increases that make up the \$1.3 million increase in the FY 2007 proposed budget (page 15).

The \$1.3 million referenced in the budget includes increases in the cost of space currently leased by the City, expansion into additional space, and the increased cost of maintenance and upkeep as a result of expansion. The following is an itemization of increases by area.

Significant increases in the cost of existing space are largely due to annual inflationary escalators in the leases as well as increased pass-through costs for items such as utilities or taxes:

- Police - \$192,440 based on lease agreements for all Police Department facilities including Avalon Bay, Simpson Garage, Hoffman and parking at the American Truckers Association.
- DHS - \$122,152 increase for rent and real estate taxes at 2525 Mount Vernon Avenue.
- General Services - \$120,600 increase in the General Services budget for rent which will be 100 percent reimbursed by other organizations. This had not been previously budgeted.
- Others - \$52,620, including a \$29,252 increase in MH/MR/SA for office space at 720 N. St. Asaph St., 3105 Colvin St., 8 residential group homes and 53 apartments; and \$23,368 in rent increases in Finance, the Registrar, Fire, the Public Defender's Office, and the Legislative Office in Richmond.

Significant expansions into new space:

- DHS - \$439,000 for Joblink rent and one-time moving costs to a new location from City space on Business Center Drive.
- ITS - \$220,704 for rent at Tavern Square.
- DHS - \$55,500 for rent, maintenance and security at Herbert Street location formerly occupied by the Office of Housing.