

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: December 7, 2009

Reviewed by: BP

SUBJECT: Contract with the Albany Unified School District for transfer of the temporary Fire Department modular buildings.

REPORT BY: Judy Lieberman, Assistant City Administrator

STAFF RECOMMENDATION

Authorize City Administrator to negotiate and execute a contract with the Albany Unified School District for transfer of the temporary Fire Department modular buildings.

BACKGROUND

The lease for the temporary Fire Department modulares will be up July 31, 2010. However, it is anticipated that Police and Fire will be moving back in February of 2010. The Albany Unified School District has expressed interest in leasing these modulares as soon as the City vacates them. Currently the City has requested information about early termination of the 24 month lease with the modular company (Design Space Modular Buildings, Inc—DSMBI). At this time, information has not yet been provided.

DISCUSSION

Along with the lease of the Fire Department modulares, the City is also exploring the sale of the Apparatus Bay building, and any possible opportunities to find a user for the Police Department modulares.

SUSTAINABILITY IMPACT

Use of existing buildings is more sustainable than building new buildings. Transportation of the modulares back to the storage area or to a new site would use transportation resources and create accompanying pollution. It would be a resourceful opportunity to reuse not only the buildings, but also the site improvements that were constructed by the City.

FINANCIAL IMPACT

The City pays \$4434 monthly for the Fire Department modulares (this includes both the office space and the dorm space.) If the City could end the lease agreement early, without penalty, and the School District could take over the facility, it could save the City up to \$22,170. An additional cost related to taking over the modulares is the eventual cost of teardown and removal. Currently, this would cost the City \$31,200. If the modulares are not removed this summer, the amount could perhaps be re-negotiated with DSMBI. It is yet to be determined if the City or the School District would be responsible for the eventual cost of dismantling of the modulares.