Master

File Number: K-1516-59

File ID: K-1516-59	**Type:** Contract	**Status:** Consent Item
Version: 1	**Reference:** Item 30	**In Control:** City Council
Department: Legal Department	**Cost:**	**File Created:** 10/13/2015
File Name: Lease between USPS and City of Norman for Parking Space at Gray and Santa Fe		**Final Action:**

Title: CONTRACT K-1516-59: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND THE UNITED STATES POSTAL SERVICE FOR A MONTH-TO-MONTH LEASE OF CITY-OWNED PROPERTY TO BE USED FOR EMPLOYEE PARKING LOCATED AT GRAY STREET AND SANTA FE AVENUE AT A COST OF $780 PER MONTH.

Notes: ACTION NEEDED: Motion to approve or reject Contract K-1516-59 with the United States Postal Service in the amount of $780 per month; and, if approved, authorize the execution thereof.

ACTION TAKEN:_____

Agenda Date: 10/27/2015

Agenda Number: 30

Attachments: Location Map, Contract K-1516-59

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Entered by: jayme.rowe@normanok.gov

Effective Date:

History of Legislative File

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File K-1516-59

Body

BACKGROUND: The City of Norman is currently leasing two City-owned parking lots to the United States Postal Service for use by their employees.   The parking lots are located on Santa Fe Street and Tonhawa Street respectively.   A map depicting the two parking areas is attached.   The leases both expire on November 1, 2015. The United States Postal Service (USPS) has sent new contracts and requested that the City execute new leases for the parking areas.

DISCUSSION: The lease for the parking lot on Tonhawa Street, K-7879-36, was executed on October 31, 1978.   The original term of that lease was from October 31, 1978 to October 31, 1985 with a cost of one dollar per year in rent.   Within that lease, the Postal Service was given six renewal options each for a period of five years.   The lease is currently in its sixth and final renewal option for the parking lot on Tonhawa expiring on October 31, 2015.

The lease for the parking lot on Santa Fe Street was executed on August 1, 1985.   The original term of that lease was from August 1, 1985 to October 31, 1990 with a cost of one dollar per year in rent.   Within that lease,

the Postal Service was given five renewal options each for a period of five years. The lease is currently in its fifth and final renewal option for the parking lot on Santa Fe expiring on October 31, 2015.

City Staff and the USPS have worked together to negotiate new lease terms. Instead of the previous rent of $1.00/year, USPS has agreed to pay $30.00/month per parking space. There are 69 parking spaces total in the two lots. There are 43 parking spaces on Tonhawa and the total amount to be paid for Contract K-1516-58 (Tonhawa) will be $15,480 per year ($1,290 per month) and 26 parking spaces on Gray Street with a total amount of $9,360 per year ($780 per month) for Contract K-1516-59 Therefore, the City will be collecting $2,070 per month in rent for a total of $24,840 per year in rent annually. These payments will be receipted into revenue account 010-0000-363.15-44 (Rental / Parking Lot).

In addition, the revised leases are for a month to month term. This provides flexibility to both the City and the USPS. The USPS advises that they are currently renegotiating the terms of their lease for the post office building. If that negotiation proves unsuccessful, they want to have the option to cancel the parking lot leases with the City. In addition, the City has completed a space utilization study for the Municipal Complex that, if its recommendations are implemented, may impact the current areas of USPS leased parking. With this being the case, it makes sense for the City to retain flexibility to discontinue the lease to USPS.

CONCLUSION: If Council wishes to continue leasing the subject parking areas to USPS at a lease rate of $2,070 per month in rent for a total of $24,840 per year and a month-to-month lease term, Staff recommends approval of K-1516-58 and K-1516-59.