

Northfield Community Resource Center (NCRC) Management Service Agreement Discussion

March 12, 2019



Existing Service Contract

- NCRC Corp. Contract amended and expires December 31, 2019
 - Contract Provide the following services:
 - Manage tenant leases (approved by NCRC and City)
 - Subcontract with management company (Currently Bluewater)
 - Marketing for promotions and activities
 - Marketing for new tenants is leased space is available
 - Scheduling meetings spaces
 - Development of an annual Operations Plan
 - Facility maintenance
 - Responsible for utility bills
 - Custodial services, grounds, trash removal, and other general operations services.
 - Collection of rent
 - Responsible for NCRC personnel staffing
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Existing Service Contract

- NCRC Corp. hired Management Company (Bluewater) to assist with management of the building
- Bluewater Contract Provide the following services:
 - Provide for full management operation services through its employees and subcontractors
 - Manage repairs and alterations to the building
 - Contract with building maintenance services
 - Financial reporting
- There is a monthly tenant meeting to go over maintenance and lease related issues. Public Works does attend these meetings as well.



Existing Service Contract

- Improvements, Alterations, Repairs, and Capital Expenditures
 - NCRC Corp. is responsible for maintaining the building in a good operation condition.
 - Capital Improvements – Expenditures for capital improvements to the building and grounds is amortized over the life of the improvement to the tenants through rents.
 - The Senior Center roof repair in 2018 (\$170,000) was not amortized over the life of the improvement against the rents. City used NCRC fund balance to pay for the improvement as staff was concurrently reviewing contract language and could not delay the repairs.
 - Moving forward in the future, it is anticipated that capital expenditures would amortized of the life and collected through the rents.



Fifty North

- Fifty North has indicated they are reaching capacity in the building.
- In 2019 they are performing programming and space study.
- They have indicated a parking lot expansion is needed. There is a portion of property is owned by the school district that could be used for expansion area. City staff will be exploring that with the school.



School District

- ~~School district is an entity of the NCRC Corp.~~
- School Referendum Passed in 2018
- New Greenvale Elementary School
- Existing Elementary will be remodel and new building is complete
- Early Childhood Services will relocated to remodeled old Greenvale Elementary
- Space will open up in the building after remodel (possibly 2021)
- Adult Basic Education (ABE) is also expected to be relocating to other school district facilities at a similar timeline sometime around 2020-2021.

This is a correction from presentation. The school district is not an entity of the NCRC Corporation.



Next Steps

- Work with NCRC Corp. on space planning and capital needs.
- Complete financial analysis review of operation costs and current rents. Staff will get into more financial detail with the City Council at that time.



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Questions

