

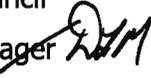


City of Dublin

Office of the City Manager  
5200 Emerald Parkway • Dublin, OH 43017-1090  
Phone: 614-410-4400 • Fax: 614-410-4490

# Memo

**To:** Members of Dublin City Council

**From:** Dana L. McDaniel, City Manager 

**Date:** February 19, 2015

**Initiated By:** Colleen Gilger, Director of Economic Development

**Re:** Resolution 25-15 - Expansion of the Dublin Entrepreneurial Center

## Summary

In August 2012, City Council authorized the Dublin Entrepreneurial Center relocation from 7003 Post Road to 565 Metro Place South, triggered by the building purchase by Ohio University.

Now beginning its third year in Metro Center, the DEC continues to prove successful, boasting over 100 tenants, a waiting list of companies seeking space and a calendar filled with dozens of free training opportunities each month.

The reasons for exploring expansion space and solutions provided include:

Many existing DEC companies on the third floor are adding employees. The third floor has a lease rule of no more than three spaces per company. Several companies are ready to expand beyond three small offices/cubicles, but are not quite ready to take on an independent lease outside the DEC. Additionally, the DEC has a waiting list of nearly a dozen small companies seeking space.

The first floor expansion space offers larger offices able to accommodate DEC growth companies with five employees or more. Sixteen new offices are gained, many of which can house multiple people. By simply moving six to seven larger, growing companies into the first floor new space, a chain reaction of more than 18 spaces open up on the third floor for new companies.

The current first floor training room availability is reaching capacity, both in the number of training classes held, and the types of meetings. The room currently does not have access to a kitchen, additional seating or adequate storage, leaving the tables, chairs and room configuration inflexible. Also, access to this room can be a way-finding challenge down a service corridor.

By adding new doors to the existing training room into the adjacent expansion suite, visitors will have access to the current and new training rooms directly off the building lobby, a kitchen area is gained, and additional storage spaces allow for more meeting space flexibility.

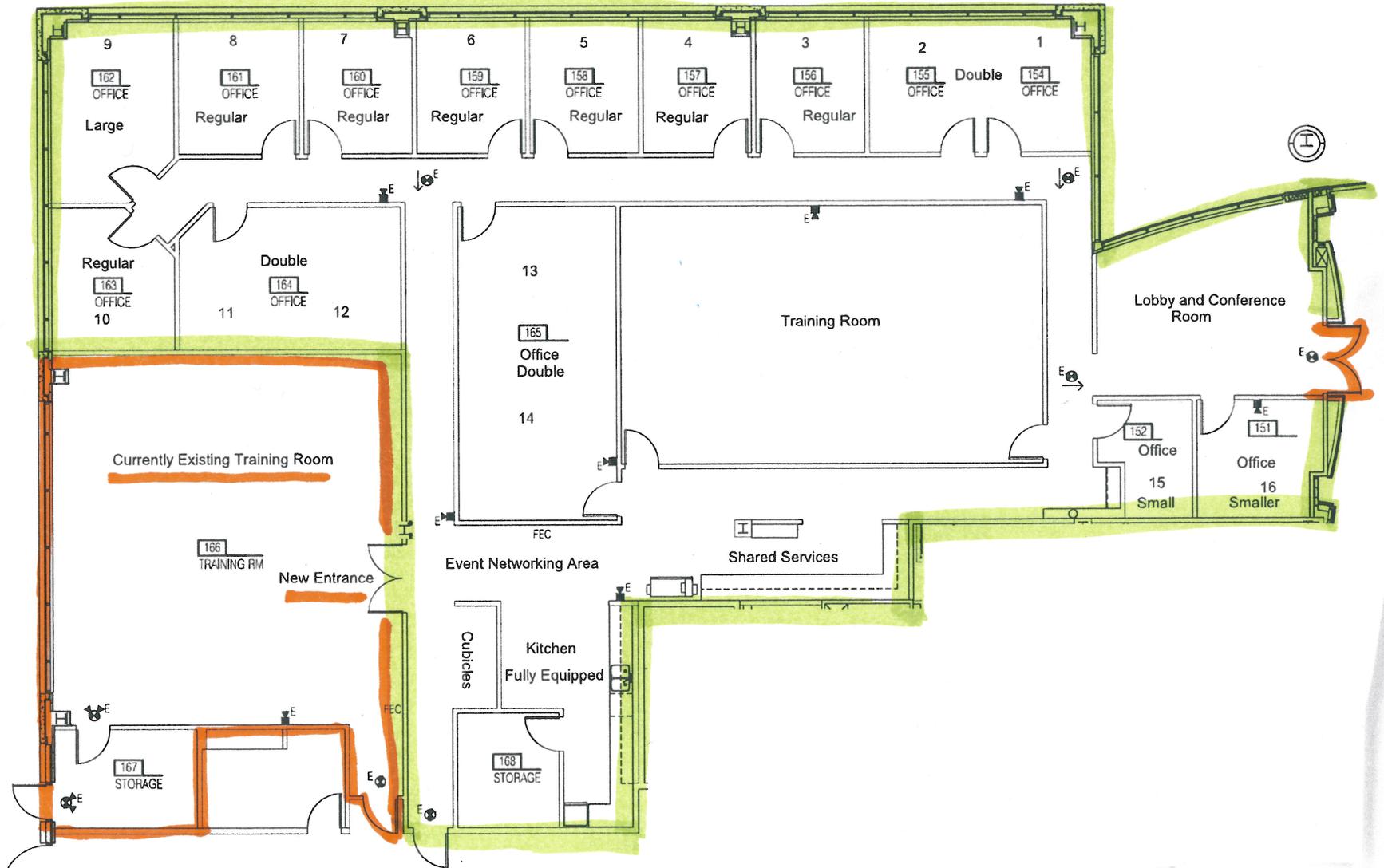
The expansion suite houses an additional large training space, which adds needed training capacity for more classes, partnerships and "Jelly" co-working days. This space also has adjacent access to a kitchen and storage area.

Staff has been working with Metro Data Center (MDC), our master lease partner in the current DEC space, which holds a first right of refusal on all spaces within 565 Metro Place South. They have been working with the building owner on possible long-term leasing scenarios for this expansion space.

The proposed Agreement of Lease (attached) for the first floor expansion space outlines a City contribution of \$80,000 per year for three years to MDC. This cost, per square foot, breaks down to a City contribution of \$14.80/SF, and assists in keeping office rents low by essentially covering the lease costs for the common areas, including the new lobby/meeting space, second training room, kitchen area and other open spaces within the suite. The Agreement also locks in the rental rates of the individual offices so staff can ensure savings to DEC tenants.

### **Recommendation**

Staff recommends approval of Resolution 25-15, as it supports Council's goals relative to creating new businesses and jobs and promoting new partnerships and possibilities. Please contact Colleen Gilger with any questions.



# RECORD OF RESOLUTIONS

Dayton Legal Blank, Inc., Form No. 30045

Resolution No. 25-15 Passed \_\_\_\_\_, 20\_\_\_\_

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE AGREEMENT WITH METRO DATA CENTER EXPANDING THE DUBLIN ENTREPRENEURIAL CENTER AT 565 METRO PLACE SOUTH, SUITE 190**

**WHEREAS**, the Dublin Entrepreneurial Center ("DEC") is currently located on the third and first floors of 565 Metro Place South and maintains a waiting list of entrepreneurs seeking office space and training opportunities; and

**WHEREAS**, Economic Development staff have spent several months evaluating expansion opportunities for the DEC office and training spaces; and

**WHEREAS**, as a result of these investigations, Economic Development staff recommends 565 Metro Place South, Suite 190 for the expansion of the DEC; and

**WHEREAS**, 565 Metro Place South, Suite 190 has several advantages, namely that it is a suite of approximately 5,400-SF adjacent to the existing DEC training facility, as well as offering "step up" office accommodations and an additional training room on the building's first floor; and

**WHEREAS**, the proposed Lease Agreement is with Metro Data Center and carries a three-year term to align with the existing DEC Lease Agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Dublin, State of Ohio, \_\_\_\_\_ of the elected members concurring, that:

**Section 1.** The City Manager is hereby authorized to enter into a Lease Agreement with Metro Data Center in substantially the same form as the attached Exhibit A.

**Section 2.** This Resolution shall take effect and be in force upon passage in accordance with Section 4.04(a) of the Revised Charter.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2015

\_\_\_\_\_  
Mayor – Presiding Officer

Attest:

\_\_\_\_\_  
Clerk of Council

**AGREEMENT OF LEASE**

**THAT** Metro Data Center, LLC **(Lessor)**  
**HEREBY LEASES TO** The City of Dublin Ohio **(Lessee)**  
**The premises commonly referred to as:** See Exhibit "A" **(Premises)**  
**For the term of:** Three Years – 1/1/2015 – 12/31/2017  
**Commencing:** January 1, 2015

**A. Use and Occupancy:** Said Premises are to be used and occupied for General Office purposes. Lessor and Lessee agree that the Premises shall be provided and operated as further enumerated in Exhibit A. Lessee agrees to pay said rent in the manner set forth below; to use and occupy said Premises in a safe and careful manner and not to commit or suffer waste therein; not to use said Premises for any unlawful purpose; to make no alterations without written consent of Lessor; to save Lessor harmless by reason of loss or damage to property and/or personal injury to any persons in or about said premises occasioned by negligence of the Lessee and to maintain insurance policies in type and amounts satisfactory to Lessor to accomplish such purpose; to assume sole responsibility for all property of the Lessee used, stored or maintained upon the Premises.

**B. Rent:** Lessee shall pay to Landlord as rent for the Premises commencing on January 1, 2015 and continuing during the Term:

- Year 1           \$80,000.00     (Monthly Rent Payment of \$ 6,666.66)
- Year 2           \$80,000.00     (Monthly Rent Payment of \$ 6,666.66)
- Year 3           \$80,000.00     (Monthly Rent Payment of \$ 6,666.66)

The Rent shall be paid in twelve (12) monthly installments due on the 5<sup>th</sup> of each month in an amount equal to the Monthly Rent Payment as set forth herein.

**C. Personal Property:** All personal property placed in the rented Premises shall be at the risk of the persons owning same, and in no event shall the Lessor be liable for the loss by fire or otherwise to such property of the Lessee.

**D. Operating Expenses:** It is further agreed that the responsibility for utilities, maintenance and operating expenses of the real estate shall be as follows:

*\*Lessee shall be responsible for any repairs and maintenance related to Lessee's use of the premises.*

Interior Maintenance *	Lessor	Exterior & Common Area Maintenance	Lessor
Interior Cleaning	Lessor	Electric	Lessor
Sewer & Water	Lessor	Grounds & Parking	Lessor
Gas	Lessor	Contents Insurance	Lessee
Building Insurance	Lessor	Liability Insurance	Lessor & Lessee

- E. **Default by Lessee:** It is mutually agreed that if said rent or any part thereof be not paid for five (5) days after becoming due and without demand therefor, or if said Lessee shall fail to keep any of the other covenants of this lease, or abandon or vacate the premises, or if proceedings in bankruptcy shall be instituted by or against Lessee, or a receiver or trustee be appointed for his property, it shall be lawful for Lessor to re-enter said Premises, repossess the same as in its first estate and thereupon this lease shall cease and be void all without prejudice to Lessor's remedies at law.
- F. **Master Lease:** Lessor and Lessee acknowledge and agree that for purposes of the Lease Agreement between Two Metro Place Partners LLC, as landlord, and Lessor, as tenant, dated November 21, 2011 (the "Master Lease"), that (a) Lessee is not a sublessee or assignee, as those terms are used in the Master Lease, of the Leased Premises (as defined in the Master Lease) or of Lessor's rights under the Master Lease; (b) this Lease shall terminate upon the expiration or the earlier termination of the Master Lease in accordance with its terms without notice to Lessee; provided, however, that Lessor shall provide Lessee with notice if and to the extent that Lessor has prior notice of the termination of the Master Lease; and (c) this Lease is subject and subordinate to the Master Lease, including, without limitation, all Building Rules and Regulations (as defined in the Master Lease) and any and all Superior Interests (as defined in the Master Lease).

**ACKNOWLEDGED & AGREED**

This agreement shall be in full force and effect on this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

**LESSOR:** Metro Data Center, LLC

**LESSEE:** City of Dublin Ohio

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Notice Address:

Notice Address:

Metro Data Center, LLC  
ATTN: Rob Kopp  
565 Metro Place South  
Columbus, Ohio 43017

City of Dublin Ohio  
5200 Emerald Parkway  
Dublin, Ohio 43017

APPROVED AS TO FORM:

\_\_\_\_\_  
City of Dublin Law Director

**CERTIFICATION OF FUNDS**

I hereby certify that funds required to meet the City's obligation, payment, or expenditure under this Agreement of Lease have been lawfully appropriated or authorized for such purpose and are free from any obligation now outstanding.

\_\_\_\_\_  
Director of Finance

## EXHIBIT A

Metro Data Center, LLC - Dublin Entrepreneurial Center  
565 Metro Place South  
Suite 190

- Premises include 5,400 square feet of training and office spaces immediately adjacent to the Dublin Entrepreneurial Center's large training room, located on the first floor of 565 Metro Place South, Suite 190.
- Suite 190 Floor Design Layout:
  - Signage:
    - Lessor will provide design consultation and recommendation of the following:
      - Include branding of the "DEC" at the 1<sup>st</sup> Floor lobby.
      - Digital Signage will brand Suite 190 with the Dublin Entrepreneurial Center's branding scheme.
  - Office Configuration: Fully Furnished with Premium Executive Office Furniture:
    - Space consists of 16 Office Spaces, Shared Services Area and Training Room
      - Storage and Filing Cabinets, Seating areas and wood furniture
      - First Floor Executive Offices, View with windows
      - Interior and Exterior, Executive Offices
    - Large Training Room, approximately 847 sqft in size.
- Shared Spaces, Common space areas (fully furnished and equipped)
  - Fully Furnished, Executive Lobby and Conference area
  - Fully Equipped, Kitchen and Eating Area
  - Lunch & Learn Eating Area
  - Event Networking Area
  - Shared Services Area
  - Storage Area
  - New Entrance Area to the Existing First Floor Training facility
  - New Large Training Room: Lessor and Lessee Shared Usage.
    - MDC and The City of Dublin – Shared Usage.
    - 75% Use by the City of Dublin in control of scheduling of space.
    - 25% Use by MDC, in scheduling of space.
    - Based upon an annual schedule of 7 by 24 by 365 days of potential use.
- Additional Features within Suite 190:
  - A large entrance door will be constructed between the first floor training room and suite 190. This will enable tenants to freely utilize the kitchen and other meeting rooms within suite 190.
  - Lessor's Security System will be enabled within the entire space for additional security features. This will include CCTV monitoring and recording services.
  - The Lessor will work with the Lessee to extend the wireless network within the office suite.

- Each office space will be equipped with access to the Lessor's fully redundant internet and VOIP phones services.
  - The Shared Services Area will be enhanced with partitioned doors to enable additional security within the area.
  - Suite 190 will be equipped with High Definition LED TV's, Digital Signage and High Definition projector.
  - Suite 190 will be fully engineered with connectivity to the Lessor's – Data Center facility, the Dublin Network, the OARnet including Internet2, the GENI network, the OSU Super Computer Networks and all other required networks, including the City of Dublin's 100GB network.
- The Lessor's Facilities Use Agreement – The term of the Lessor's Facilities Agreement with DEC tenants will be 12 months. The Lessor agrees to include a termination clause in such Facilities Use Agreement that permits the tenants to terminate the Facilities Use Agreement after the completion of the first 6 months, with 60 days written notice.
- Tenant rental fees agreements will be contractually managed through the Lessor's Facility Use Agreement, currently in use by all DEC tenants. DEC tenant fee increases are limited to 4%, per year, based upon the Lessor's Master Lease Agreement.
- Lessor Maintained (Non Common) Office Spaces, maximum starting Base Rental fees:
  - Smaller Office Spaces will be established with a max starting base fee of \$ 400.00.
  - Regular Sized Office Spaces will be established with a max starting base fee of \$ 550.00.
  - Large Sized Office Spaces will be established with a max starting base fee of \$ 650.00
  - Double Sized Office Spaces will be established with a max starting base fee of \$ 1,100.00
  - Cubicle Sized Office spaces will be established with a max starting base fee of \$ 180.00
    - Cubicle size offices may be created in the future, only two cubicles exist in the current layout.
- Additional fees will be assessed for other value added services provided by the Lessor. These services may include and are not limited to the follow: Dedicated Internet services, Printing, Coping, Conference Phones, Video Conference Services and Enhanced Secretarial Services.