**MHCA Office Space**

**Background**

MHCA was invited to share office space with MCCA (LeadingAge and MN Hospital Association) and moved into the current space in April 1, 2016. The sub-lease offered a discount rate through spring 2019, at which time MHCA began paying the same amount as MCCA.

The rationale for the move was to enhance the collaboration between LeadingAge and MHCA. While we attempted to develop a closer relationship and greater collaboration, it did not develop as MHCA had hoped. In 2019, LeadingAge chose to discontinue our 15+ year collaboration on the summer Assisted Living/Home Care conference. There no longer is an added value in sharing space.

As we approach budgeting for 2021, MHCA is facing unknowns regarding membership and conference attendance. As of this week, MHCA has two staff working remotely on a permanent basis, lessoning the square footage needed for our office (currently 710 square feet).

**Recommendation**

The MHCA Executive Committee recommends that MHCA consider moving the office to a less expensive site. MHCA has an opportunity to share office space with the Metropolitan Area Agency on Agency (MAAA), saving more than 50% of our lease expense. An MHCA office within their space, would include one executive office and cube spaces. We have the opportunity to help design the space and utilize existing MAAA-owned modular workstations. We will need to purchase furniture for the exec office.

The lease would include the following:

* Utilities
* Janitorial services
* Access to conference rooms & lunchroom
* Office phones
* Reception services
* Located just off 694 and Snelling



**Annual Estimated Costs**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **MCCA** | **MAAA** | **Variance** |
| Rent | $ 26,472 | $ 17,928 |  |
| Common Area Maintenance | $ 23,244 | $ - |  |
| Mail Room services |  | $ 420 |  |
| Phone system |  | $ 1,800 |  |
| IT Hosting & Support |  | $ 2,400 |  |
|  | **$ 49,716** | **$ 22,548** | **$ 27,168** |

* The estimated cost for the new space is nonbinding.
* We anticipate minimal moving costs:
  + Mover: approximately $1,000
  + Office furnishings: one office and a conference table
  + Printing expenses: address change. We do a significant amount of business virtually so this will be minimal. We will be rebranding the first of the year and will plan to order minimal printed material until the move.
  + Misc expenses

**Timing**

The lease with MCCA requires a notice be given no later 270 days (9 months) prior to the early termination date. We will request a shorter notice but recognize that may not be granted.

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This proposal was voted on by the MHCA Board of Directors on September 15, 2020.

□ Approved

□ Not Approved

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