**DRAFT**

**Minnesota HomeCare Association Office Space Proposal**

We have gathered some additional information and have an offer drafted for MCCA (umbrella organization of LeadingAge Minnesota and MN Hospital Association). The table below shows a comparison of the lease details, for your information. Please keep this confidential.

Our extended lease option at our current site is for 5 years so I prepared the same for this proposal. I’m open to other suggestions. I am proposing that we lease the office area they identified (6 offices, with potential of a build-out for storage) and the conference room that is rarely utilized by MCCA. We would then have a primary conference room; other organizations could reserve it, upon MHCA approval. We’d also ask for the ability to reserve other conference rooms, when available and upon MCCA approval.

**Additional Cost**: there would be approximately $5,000 one-time initial costs (identified below), in additional to moving expenses and on-going external storage.

**Savings:** This proposal includes significant operational savings for MHCA.

* IT Support (hosted server, etc) $5,400
* Phone/IT Service $7,200
* Printer Lease/copying $3,900
* Postage Meter Lease $ 340

TOTAL Annual Savings $16,840

Although I believe that the approach to paying for the conference room space is fair, it is very likely that MCCA will want to negotiate some of these costs. This gives us a good starting point for our discussion.

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| **Expense** | **Wellington** | **MCCA** |
| **Lease** *Our current lease includes a base rate that is guaranteed in the contract and an operating expense that is based on actuals each year.*  | *1,675 square footage**(with add’l office)*Year 1: $18.27 psf / $30,602* $8.50 psf / $14,238
* $9.77 psf / $16,365

Year 2: $18.52 psf / $31,021Year 3: $18.77 psf / $31,440Year 4: $19.02 psf / $31,859Year 5: 19.27 psf / $32,277 | 731 square footage (offices only)1,140 Square footage (with Conf Room Room E)*Year 1:* $18.25 psf $20,805(proposed 2016 rate @ current site)Year 2: $19.75 psf $22,515Year 3: $21.25 psf $24,225Year 4: $22.75 psf $25,935Year 5: $24 psf $27,360(current proposal at Court) |
| **IT/office services** | New Expenses:* Furniture $3,000

(new office) | The following will be included in the above “lease package:”* Hosted network infrastructure
* Helpdesk (per hour charge for more than 15 minute increments)
* Hosted phone service
* Receptionist – phone triage
* Production room, cost covered in per copy expense
* Office furniture, in current offices

The following would not be included in the package, unless otherwise negotiated:* Cost of build-out
* PCs and computer equipment
* Software ($1,100 one-time cost)
* Phone equipment ($2,500 one-time cost)
* Add’l voice mail licenses ($1,200)
* Conference Call services
* Off-site storage ($\_\_\_)
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