**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 / $31,021  Year 3: $18.77 psf / $31,440  Year 4: $19.02 psf / $31,859  Year 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 $22,515  Year 3: $21.25 psf $24,225  Year 4: $22.75 psf $25,935  Year 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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