

Agenda Item 10. Report of Finance Committee and Recommendations

The Finance Committee met Thursday, April 7, 2016 at 11:00 a.m. to discuss the Ferguson House lease and related expenses. The minutes will be provided for review with the regular board meeting minutes. The board should accept or modify the committee recommendation(s).

- A. Ferguson House Lease
- B. Ferguson House Expenses

Possible Action: motion to accept the report/minutes and approve or modify and approve the committee recommendation.

RECEIVED
SEP 09 2015
BY: _____

STATE OF NEBRASKA - DEPARTMENT OF ADMINISTRATIVE SERVICES
STATE BUILDING DIVISION
PROPERTY MANAGEMENT AGREEMENT - FERGUSON MANSION
ADDENDUM #12



This Property Management Agreement, Addendum #12, hereinafter this "Addendum," by and between Department of Administrative Services – State Building Division ("AS/SBD") and Nebraska Environmental Trust ("NET"), hereinafter the Party or Parties, in which those certain Parties agreed to the terms and conditions described in that certain Property Management Agreement, effective July 1, 2004, and subsequent addenda for the operation, administration and maintenance of the Ferguson Mansion and Carriage House property located at:

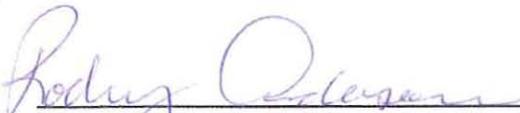
700 S 16th Street
Lincoln, NE

NET herein agrees to pay AS/SBD, a building renewal assessment fee in the amount of **\$8,295.15** for the fiscal year **July 1, 2015 through June 30, 2016.**

Payment of the building renewal assessment fee shall be made in one (1) payment on an annual basis; AS/SBD shall bill NET for the assessment upon receipt of this fully executed Addendum from NET; such calculations shall be based upon the previous year's rental occupancy of office space and not on events held at the Property, attached as Exhibit A, 2015-2016 Calculations.

All other terms and conditions of said Agreement and subsequent addenda shall remain the same and are hereby ratified and confirmed.

AS/SBD APPROVAL:



Rodney Anderson, Administrator
AS – State Building Division

9/9/15

Date

NET APPROVAL:



Mark A. Brohman
Nebraska Environmental Trust

9-3-15

Date

**STATE OF NEBRASKA, DEPARTMENT OF ADMINISTRATIVE SERVICES, STATE BUILDING DIVISION
PROPERTY MANAGEMENT AGREEMENT - FERGUSON MANSION
ADDENDUM #12 – BUILDING RENEWAL ASSESSMENT FEE**

EXHIBIT A, 2015-2016 CALCULATIONS

Calculations for the 2015-2016 Building Renewal Assessment Fee, based upon the July 1, 2014- June 30, 2015 occupancy:

2014-2015 Insured Value of Ferguson Mansion:	\$1,128,291.02
X 2%	.02
Annual Building Renewal Assessment Fee (based upon full occupancy):	\$ 22,565.82
Monthly Depreciation Fee / 12 months	\$ 1,880.49
Gross SF of Ferguson Mansion:	10,030
Lower Level, Main Rm, Anne McCollister, NE Community Energy Alliance	629
1 st Floor, Suite 100, David Geier, NE Commission on Problem Gambling	280
2 nd Floor, NET (Game and Parks)	2,635
3 rd Floor, "Photographer"	143
Grand Total Space Occupied SF	3,687
<u>Calculations based upon annual occupancy:</u>	
$3,687/10,030 = .3675 \times \$1,880.49 = \$691.26 \times 12 \text{ mos.}$	\$8,295.15

Annual Building Renewal Assessment Fee \$8,295.15

Property Management Agreement

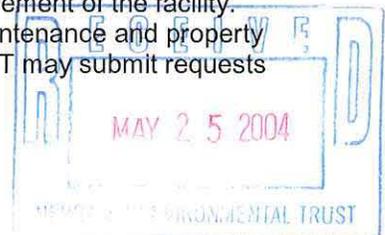
This Property Management Agreement ("Agreement") is entered into this July 1st day of 2004 between the Department of Administrative Services ("DAS") and the Nebraska Environmental Trust (NET) which is established pursuant to Nebraska Rev. Stat. § 81-15,174.

- A. DAS desires to contract for the operation, administration, and maintenance of the Ferguson Mansion, located in Lincoln, Nebraska. The State of Nebraska holds the title to the land and building, hereinafter referred to as "the Property".
- B. NET desires to assume responsibility for the operation, administration and maintenance of the Property.
- C. The Deferred Building Renewal Act requires recipients of allocations from the Building Renewal Allocation Fund to make periodic inspections of state-owned facilities under their care and also requires recipients of such allocations to prepare a plan of adequate but not excessive preventative maintenance.
- D. Nebraska Rev. Stat. § 81-1108.15(4)(b) assigns to DAS – State Building Division responsibility "To provide maintenance, repairs, custodial duties, security, and administration for all buildings and grounds owned or leased by the State of Nebraska..."
- E. Both parties want to establish effective procedures that will protect the state's investment in the Property and define the authority of NET in its administration of the Property.

THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties agree to the following duties, responsibilities and terms.

NET:

1. Shall manage all daily events, concerns and activities associated with the Ferguson property as further described herein. Such management shall include, without limitation, the following duties, responsibilities, and authority.
 - (a.) NET may enter into sublease agreements with other entities for partial occupancy of the mansion. These provisions do not apply to daily events held at the mansion.
 - I. All subleases shall provide for fire and casualty insurance covering the replacement cost of any such capital improvements and public liability insurance in the amount of not less than \$1,000,000 per incident and \$2,000,000 for aggregate coverage. All liability insurance policies and any fire and casualty insurance policy covering buildings owned by the State of Nebraska shall name the State of Nebraska as an additional insured. Subleases shall also provide for indemnification of NET, DAS, and the State of Nebraska from liability from use of the Property.
 - II. All subleases shall require the sublessee to comply with all federal and state statutes and regulations pertaining to the sublessee's use of the subleased premises.
 - III. All subleases for a term of more than one year shall be subject to review and approval by the Director of the Department of Administrative Services.
 - IV. All rental payments from subleases shall be payable to NET. Rental payments shall be used exclusively for the maintenance and improvement of the facility.
 - (b.) NET shall be responsible for payment of all costs for utilities, maintenance and property insurance associated with the mansion and related property. NET may submit requests



- for eligible deferred maintenance, ADA, energy conservation and fire/life safety projects to the Task Force for Building Renewal for funding consideration. NET shall maintain the property in good and operable condition to include the interior, exterior, and grounds.
- (c.) NET shall manage any and all parking on the property.
 - (d.) NET shall conduct its operations in a manner which protects the public, employees of NET, those using or working at the Property, and property of others. If any hazard exists or develops, NET shall take any and all necessary steps, to include requesting assistance from the Task Force for Building Renewal, to correct the hazard or prevent exposure of the public, employees of NET, those working at the Property, or property of others from the hazard.
 - (e.) NET hereby assures DAS that it will operate a drug-free workplace in accordance with state guidelines and has implemented a drug-free workplace policy.
 - (f.) NET shall arrange and pay for all custodial and/or security-related expenses.
 - (g.) NET shall arrange for any remodeling or renovation desired for their occupancy. All plans for this work must be submitted to DAS for review and approval prior to construction.
 - (h.) NET shall pay the depreciation assessment as provided in Neb. Rev. Stat. § 81-1108.17. Such charges shall not annually exceed an amount calculated as follows:
 - I. Multiply the insured replacement value of the Ferguson House property by two one-hundredths;
 - II. Divide the gross square feet of Ferguson House space occupied by NET by the Ferguson House gross square feet total of space; and
 - III. Multiply the amount computed in subdivision I of this section by the amount computed in subdivision II of this section.
 - IV. The charge calculated for FY 04/05 will be \$4,816 based on the above formula.
 - V. As space is subleased, this formula will be used to charge NET the additional depreciation assessment for the space occupied.
2. Agrees to comply with all state laws and requirements governing the operation and management of state property including, but not limited to:
- (a.) Preparation and maintenance of a comprehensive capital facilities plan pursuant to Neb. Rev. Stat. § 81-1114.01, and to prepare a program statement for any project estimated to cost \$450,000 or more.
 - (b.) Submission to DAS of any planned or proposed major expenditures for renovation or improvement to the mansion.
 - (c.) Compliance with all specific local, state and/or federal requirements for the maintenance, renovation and/or restoration of historic properties.
 - (d.) Compliance with all state laws and requirements governing the disbursement of state monies in expending funds from the Building Renewal Allocation Fund or other state appropriations. These requirements shall include but not be limited to competitive bidding where applicable, the Political Accountability and Disclosure Act, and the Nebraska Consultants' Competitive Negotiation Act.
3. Agrees to act as general custodian and operator of, and accept full responsibility for the maintenance and use of the facilities and grounds of the mansion.
4. Agrees to maintain financial records on all expenditures related to maintenance and upkeep of the mansion.

NOTICE OF ALL LEGAL ACTION OR CLAIMS

NET agrees to provide DAS copies of all legal actions filed against the NET with regard to the mansion that might lead to insurance claims or legal action against either party or the State of Nebraska, and notice of any city, county, or federal assessments levied against the mansion.

DAS agrees to provide NET copies of all legal actions filed against the Property, all incidents related to the Property that might lead to insurance claims or legal actions against either party or the State of Nebraska.

AMENDMENT

Any portion of this Property Management Agreement may be amended in writing at any time by mutual consent of the parties.

PARTIES BOUND BY AGREEMENT

The provisions of this Property Management shall bind the parties hereto, their successors and assigns.

NOTICES

All notices and materials to be submitted to DAS shall be sent to:

DAS State Building Division
521 South 14th Street, Suite 500
Lincoln, NE 68508-2707

or to such other address as DAS shall provide in writing.

All notices and materials to be submitted to NET shall be sent to:

The Nebraska Environmental Trust
700 S. 16th Street
Lincoln, NE 68508

or to such other address as NET shall provide in writing.

SEVERABILITY

If any one or more of the provisions of this Property Management Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement, but this Property Management Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained therein. If any covenant, stipulation, obligation or agreement contained in this Property Management Agreement shall, for any reason, be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the full covenant, stipulation, obligation or agreement of DAS or NET to the full extent permitted by law.

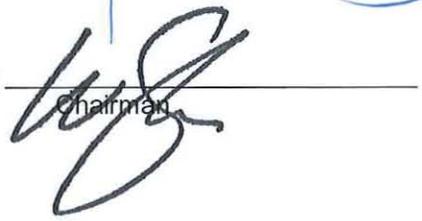
TERM

This Agreement shall become effective July 1, 2004. It is the intent of the parties that this Property Management Agreement shall proceed on a year-to-year basis, provided however, any of the parties may terminate this Agreement on a ninety (90) day written notice to the other in the event any other party is in breach of this Agreement and has failed to cure the breach after thirty (30) days written notice thereof or at the discretion of the legislature. Additionally, notwithstanding anything else contained in this paragraph, any of the parties has a right to terminate this Property Management Agreement for any reason upon twelve (12) months written notice to the other party.

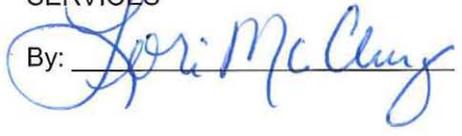
IN WITNESS WHEREOF, the parties have executed this Agreement effective the day and year first above written.

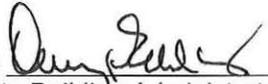
NEBRASKA ENVIRONMENTAL TRUST

By: 
Executive Director

By: 
Chairman

DEPARTMENT OF ADMINISTRATIVE SERVICES

By: 

By: 
State Building Administrator

Ferguson House 2015

Expenditures

Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals	Average per month
Tablecloth Expense	\$ 120	\$ -	\$ 122	\$ 74	\$ 206	\$ 85	\$ 122	\$ -	\$118	\$ 122	\$ 37	\$ 170	\$ 1,174	\$ 98
Sanitation Janitorial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 24	\$ 231	\$ -	\$ 27	\$ 332	\$ -	\$ 618	\$ 51
Food Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12	\$ -	\$ -	\$ 13	\$ -	\$ -	\$ 26	\$ 2
Lawn/Snow Removal	\$ -	\$ 720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 720	\$ 60
Pest Control	\$ 65	\$ -	\$ 65	\$ -	\$ 65	\$ -	\$ 65	\$ -	\$ 65	\$ -	\$ 65	\$ -	\$ 390	\$ 33
Refuse/Recycling	\$ -	\$ 79	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ 139	\$ 12
Janitorial Services	\$ 659	\$ -	\$ -	\$ -	\$ -	\$ 838	\$ -	\$ 559	\$ -	\$ -	\$ 838	\$ -	\$ 2,894	\$ 241
Parking Expense	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$120	\$ 120	\$ 120	\$ 120	\$ 1,440	\$ 120
Gas Costs	\$ 546	\$ 594	\$ 578	\$ 91	\$ -	\$ 328	\$ 9	\$ -	\$ 1	\$ -	\$ 134	\$ 366	\$ 2,647	\$ 221
Gas Service	\$ 346	\$ 174	\$ 56	\$ 37	\$ 100	\$ 28	\$ 28	\$ 29	\$ 29	\$ 31	\$ 67	\$ 134	\$ 1,059	\$ 88
Electricity	\$ 235	\$ 170	\$ 98	\$ 95	\$ 182	\$ 209	\$ 137	\$ 288	\$208	\$ 117	\$ 148	\$ 208	\$ 2,096	\$ 175
Water & Sewer	\$ -	\$ 77	\$ -	\$ 68	\$ -	\$ 68	\$ -	\$ 109	\$ -	\$ 81	\$ -	\$ 65	\$ 468	\$ 39
Total	\$ 2,090	\$ 1,935	\$ 1,039	\$ 484	\$ 674	\$ 1,680	\$ 517	\$ 1,397	\$541	\$ 510	\$ 1,741	\$ 1,062	\$ 13,670	\$ 1,139

Ferguson House Events

Date	Events	Price
4/4/2015	Hohensee bridal shower	\$150
4/10/15 & 4/17/15	Ronni Prentice paranormal tours (2)	\$200
4/11/2015	Skov baby shower	\$175
4/13/2015	GAP board meeting	free
4/17/2015	GAP training session	free
4/18/2015	Williams birthday party	\$175
4/19/2015	Langer baby shower	\$150
4/22/2015	NMPP Energy board meeting	\$50
4/22/2015	Nebraska Craft Brewers Guild party	\$175
4/25/2015	Schafers bridal shower	\$175
4/26/2015	KZUM	free
4/29/2015	A to Z Productions shoot	\$125
	April 2015 Total	\$1,375
11/6/2015	Lund birthday party	\$225
11/15/2015	Bohaty birthday party	\$150
11/22/2015	KZUM	free
	November 2015 Total	\$375

Total Number of Rentals Per Month in 2015:

January - 7	July - 8
February - 7	August - 10
March - 9	September - 8
April - 13	October - 10
May - 10	November - 3
June - 8	December - 9

Ferguson House Tenants

Space Rented	Tenant	Total
Library	Neb. Commission on Problem Gambling	\$ 6,300.00
Lower Level	Neb. Community Energy Alliance	\$ 2,400.00
3rd Floor	Photographer Studio's	\$ 4,500.00