

Council signs off on senior center lease



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Deal will cost Port \$221,600 over 3 years, includes \$550,000 purchase option, facilitates company's move to downtown

The Port Washington Common Council on Tuesday voted 5-1 to lease the Franklin Energy office building on Foster Street for use as a senior center, settling a debate over a deal designed to encourage the company to relocate downtown.

The lease will cost the city \$221,600 over three years. The city will then have the option to purchase the converted St. John's Church building for \$550,000 or renew its lease.

Only Ald. Jim Vollmar voted against the lease, saying he thought the rent was too high.

"That's a very good lease for the landlord," he said. "I don't think you can find a building downtown that collects that kind of rent."

However, Ald. Mike Ehrlich disagreed, saying that the rent the city will pay for the 10,500-square-foot building is "extremely low" on a square-foot basis.

City Administrator Mark Grams agreed, saying the city had done a study of lease rates before negotiating the agreement, which calls for the city to pay between \$5,500 and \$6,500 a month during the three-year contract.

"This falls in at the lower end of the range," Grams said.

Ald Dave Larson, who works for Franklin Energy, abstained from the vote.

The deal paves the way for Franklin Energy to move its headquarters to the Smith Bros. Marketplace building at the corner of Franklin Street and Grand Avenue.

Franklin Energy founder and CEO Paul Schueller said the company on Monday signed a 7-1/2-year lease for the upper floor of the building at the entrance to downtown.

"We're making a very long-term, significant commitment to jobs in Port Washington," Schueller said. "We wanted to show our commitment to Port for the long term."

Mayor Scott Huebner lauded the deal, saying it will help the city retain a valuable, growing business, provide a larger, more functional space for the senior center and kick-start business development downtown.

"These are the kind of things that make the job worthwhile," he said. "It's a step in the right direction, not only for the city but for downtown and the seniors."

"It gets us to the next level with the senior center at a fairly reasonable price. This offers us a great opportunity to provide more space and more programming for seniors."

"And we're keeping the fastest-growing company in the state in Port Washington and moving these jobs downtown. It's a start to get more people downtown, and that will hopefully bring more business downtown."

Franklin Energy has also agreed to use only local contractors as it finishes the space at the Smith Bros. building, Huebner said, a move that will help other local businesses that have been struggling.

Schueller said he expects the company to move to its new space between July 15 and Aug. 15. When it does, it will immediately increase its Port workforce from 32 people to 40 by moving some employees from its other office to the new headquarters.

The new offices will hold as many as 50 employees, but could be reconfigured to house significantly more workers, Schueller said.

"We're assuming we can triple in size," he said. "We think we're in a good spot to stay there through quite a bit of growth."

The company's lease with Lighthouse Development Co., owner of Smith Bros. marketplace, is structured so that it would cost the firm a significant amount of money if it tried to break the lease before its term ends, Schueller added.

It also contains renewal options, he said.

The city's lease with KAB Enterprises, which owns the Franklin Energy building and is run by Schueller's wife Jan, takes effect Aug. 1.

It calls for the city to rent the building for three years, with rent of \$5,500 for the first seven months. Each year after that, the monthly payments increase by \$150 until it reaches \$6,500 for the last five months.

After the three years, the city can renew its lease for as many as three years or purchase the building for \$550,000.

The city will be responsible for installing an elevator in the building. If the city does not purchase the building, it can either remove the elevator or negotiate for the landlord to purchase it at the end of its lease, the agreement states.

Grams said the city will pay for this year's lease payments, which will total \$27,500, one of two ways — by using a \$50,000 credit it received from the state property tax fund or from the proceeds of the sale of the existing senior center building.

The Common Council was exhorted to continue thinking of the Franklin Energy building as a temporary solution to the senior center's needs by Lynn Cosentine of Garay Lane.

Cosentine told aldermen that the city does not do enough for its senior citizens, saying the current facilities are "pitiful."

"If Port wants to push seniors out, you're doing a good job," she said. "We really need some decent facilities for seniors. There's nothing here for seniors."

Senior Center Director Catherine Kiener said she is excited about the move, which she said she expects to take place sometime this fall.

"It's nice to see the city take a step forward and the senior center to take a step forward," Kiener said, noting the Franklin Energy building has twice as much space as the existing center.

"It's very exciting. Now we know what space we've got so we can go ahead and plan and move forward. There are some challenges, but we have a bright future to look forward to."

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