Mayor Ezzy Ashcraft & City Council:

Included is a summary of areas covered by the property management contract. This is being provided based on a request for the information.

Sincerely,

Eric Levitt
City Manager

Tonight the City Council will be considering renewing the contract with RiverRock Property Management Group (RR). The impetus for this renewal is three-fold.

1. First, we are recommending continuing the contract for continuity as we hopefully navigate ourselves out of the pandemic, the City relief programs have a three year term. We thought it best that the company that implemented the agreements approved by Council be the company that close out the lease amendments.

2. The City's contract with RR requiring them to assume liability for conditions that preceded their contract with the City became uninsurable. RR requested that the City research how other public entities contracted with private property management companies and the City agreed to modify its agreement.

3. RR could not find contractors who would agree to the terms contained in the City's contract. As a sub-contractor to the RR agreement, RR couldn't offer their subcontractors more concessions than what were contained in their agreement with the City. So, changing the agreement benefits RR and their ability to contract with more responsive and customer service oriented companies.

The staff report has a not to exceed $1,209,374. That number allows for **Admin cost** at $850,000. Admin cost includes:
- Salaries and benefits for 5.5FTE
- General office supplies
- Equipment costs (copier lease and copier supplies)
- Telephone/Internet
- Janitorial (supplies – in shared bldgs.)
- Electricity
- Marketing/Tenant support
- Membership/Professional Associations/Alameda Chamber of Commerce
- Business License
- Postage
- Computers
- Wayfinding sign maintenance

Management Fee $216,000 (for the past 5 years it has remained at $165,000, the new contract will allow for 3% annual increase)

General Building Services - $135,000 – estimate used for picking up trash and dumped items throughout the property