

FAQ 4 Commercial Real Estate :

Should the City consider a lease or purchase of existing commercial real estate for City Hall?

City staff worked with Broadwing Advisors, which is one of the primary commercial real estate consultants operating in Middleton. Broadwing has familiarity with for-sale options, for lease options, and off-market options in the City of Middleton. Staff provided Broadwing with the program needs that have been identified for City Hall:

City Hall		
Program Area		NSF
Office		4,594
Meeting Spaces		4,204
Planning		750
Inspectors		312
Public Works		2,964
Parks and Rec		3,586
Common Amenities		2,004
Support		3,138
Total NSF		21,552
Total GSF	50% efficiency factor	32,328
Area for Exterior enclosure	3%	33,298

Broadwing Advisors provided the City with a total of 12 options. Of the 12 options, only 6 are currently available on the market. None of the options that are presently available meet all 4 of the following criteria:

1. Available for sale rather than lease
2. Storefront access rather than multi-tenant access
3. Good transit access (within a 5-minute walk/roll of a bus stop)
4. Meets identified space needs

Other Considerations:

Control: How much control does the City want to have over its City Hall building? A purchase offers more control of costs, accessibility, and other factors than a lease would offer.

Costs: In addition to concerns over control, a lease would be challenging due to the City's operating budget constraints.

Accessibility: If the City pursues commercial real estate, staff recommends avoiding multi-tenant spaces that do not provide a designated entrance for the City Hall function. The City Hall should have a "storefront" type feeling and clear signage for ease of access to residents.

Transit: A standard guideline for walking distance to a bus stop is 0.25 miles, which is roughly equivalent to a 5-minute walk/roll at a moderate pace.

Timing: The options that are available now are unlikely to be the same options that are available when the City is ready to move forward with a lease or a purchase.

Sustainability: If the City decides to lease space, would the City's sustainability goals be met through the lease negotiations? Would the City consider retrofitting an existing building to meet the goals?