



To: ISACo Board of Directors

From: Joe McCoy, Executive Director

Date: September 2024

Re: Office Lease Extension – Recommend Approval

ISACo has 13 months remaining on our original office lease agreement. The original lease was signed in September 2020. Staff moved into our current space at 427 E. Monroe in Springfield during October 2020. The terms of the original lease included three guaranteed years with options available for a fourth and fifth year. Both option years were utilized.

In August 2024, I initiated a discussion with our landlord and proposed a new second lease structured the same as our first lease. Our landlord agreed to this structure, which would provide for three guaranteed years and two additional option years. All other terms of the new lease agreement would remain the same as the current lease agreement. This includes our monthly rent covering utility costs at no additional expense to ISACo.

In keeping with our original lease, there is a stepped increase in annual lease costs. The table below includes the lease years, annual costs and a comparison of cost increases over our current annual lease amount. These increases are modest. The final guaranteed lease year (year 3) is an additional \$2,400 annually compared to the annual cost for the final year of our current agreement. The second option year (year 5) is an additional \$3,600 annually compared to the final year of our current agreement.

Proposed Lease Schedule			
Lease Year	Monthly Cost	Annual Cost	% Increase Over 2024-2025
Nov 2024-Oct 2025 (Current)	\$2,200	\$26,400	N/A
Nov 2025-Oct 2026	\$2,200	\$26,400	0%
Nov 2026-Oct 2027	\$2,300	\$27,600	4.54%
Nov 2027-Oct 2028	\$2,400	\$28,800	6.06%
Nov 2028-Oct 2029 (Option)	\$2,400	\$28,800	6.06%
Nov 2029-Oct 2030 (Option)	\$2,500	\$30,000	13.63%

RECOMMENDATION - APPROVE

In previous years the Executive Committee toured several possible office spaces in the downtown area. This provided a perspective on what is available in terms of location, size, layout, cost and initial investment requirements (remodeling). To date, our current space exceeds the other options we reviewed for the size, money and location. The newly proposed office lease continues to provide financial value to the Association.

Our current office space will continue to meet the needs of the Association over the next few years. The 3,000 square feet provides ample space for staff and storage with walkable proximity to the Capitol Complex, post office, restaurants and hotels. Comments from visitors to the office have been favorable and various county officials, affiliate groups and staff are always appreciative to be able to utilize the conference room. We also have several thousand dollars of investment in our space that occurred prior to taking possession in 2020. This includes new carpeting, a complete repainting of the office to reflect our branding, installation of our fire-rated office entry door and installation of IT infrastructure to meet our technology requirements.