

# Agenda Report

**DATE:** NOVEMBER 18, 2002

**TO:** CITY COUNCIL

**FROM:** CYNTHIA J. KURTZ

**SUBJECT:** LEASE EXTENSION FOR FIRE DEPARTMENT  
ADMINISTRATIVE OFFICES AT 199 S. LOS ROBLES AVENUE

**RECOMMENDATION:**

It is recommended that the City Council approve the terms and conditions as generally described below, and authorize the City Manager to execute a new lease extending occupancy of the Fire Department's administrative offices at 199 S. Los Robles Avenue, Suite 550, for three years with an option for an additional two additional years.

**BACKGROUND:**

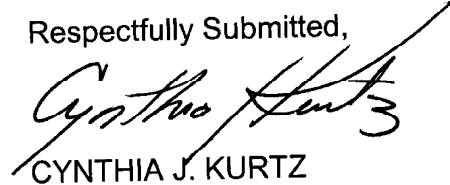
The Fire Department administrative offices have occupied space at 199 S. Los Robles Avenue since August 27, 1990. A third amendment to the lease extended the term from December 1, 1999 to November 30, 2002. The Fire Department wishes to continue their occupancy at this location for at least three more years with a two-year option to extend.

The proposed new lease requires the landlord to completely repaint and re-carpet the premises at his expense. It would extend the term for three years with a base rental rate of \$2.05 per rentable square foot per month for the 7,498 rentable square foot premises. This is a full service gross lease with the City having the obligation to pay its proportional share of annual increases in operating expenses and taxes over the base year 2003. The proposed rent was negotiated by staff at nearly \$600 less per month than the current rent, and the first increase will not begin until the second year. The lease also provides for the City to lease up to a maximum of thirty parking spaces at the prevailing rate that is currently set at \$65 per month for single unreserved parking spaces and \$100 per month for reserved parking spaces. Based upon a survey of comparable competing buildings, these rates are at market levels.

**FISCAL IMPACT**

During the first year of the Lease extension there will be approximately \$7,800 in rental savings to the City below the budgeted amount.

Respectfully Submitted,



CYNTHIA J. KURTZ  
City Manager

Prepared by:



MANUEL NEGRETE JR.  
Real Property Manager

Concurred by:



ERNEST MITCHELL  
Chief, Fire Department

Approved by:



RICHARD BRUCKNER  
Director of Planning and Development