

Agenda Report

TO: CITY COUNCIL **DATE:** JUNE 27, 2005
FROM: CITY MANAGER
SUBJECT: LEASE EXTENSION
FOOTHILL WORKFORCE INVESTMENT BOARD
1207 EAST GREEN STREET
PASADENA, CA

RECOMMENDATION

It is recommended that the City Council approve the terms and conditions as described below, and authorize the City Manager to execute an agreement extending Foothill Workforce Investment Board's occupancy of the offices at 1207 East Green Street, for five-years.

BACKGROUND

The Career Services Division of the Human Services and Recreation Department administers the federal Workforce Investment Act program on behalf of the Foothill Workforce Investment Board (Foothill). Since May 1, 1998, Foothill has shared offices at 1207 East Green Street with the State of California's Employment Development Department, who owns and operates the building. While on month-to-month holdover since April 30, 2003, Foothill intends to continue occupancy at this location for at least five more years, until February 28, 2010.

Foothill's "One-Stop Service Center" and State's Employment Development Department functions complement each other in servicing the community. Common areas within the 14,760 square foot building are allocated between Foothill and the State based on use, according to a formula acceptable to both parties. Rent is the facility's actual operating expense, which includes security guard service and amortization of capital improvements.

Significant refurbishment and improvements mandated by the American's with Disabilities Act are planned for the facility. Accordingly, rent during the proposed five-year extension would increase upon the completion of these required capital improvements. Amortization of these costs will cause the base rental rate of


\$1.08 per square foot per month for Foothill's allocated 6,176 square feet within the premises, to increase to \$1.17 per square foot by the end of the lease term. Other than scheduled amortization increases, rent is flat with no expense pass through or cost of living increase clauses. Foothill has access to a common parking lot at no additional expense.

A survey of comparable, competing buildings discloses the proposed rent is much less than the prevailing rate for this type of space.

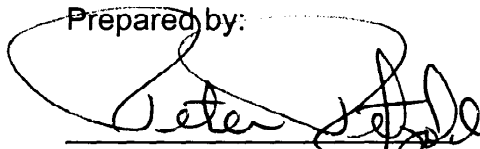
FISCAL IMPACT

All costs associated with this Lease Agreement will be paid with Workforce Investment Act and/or external grant funds.

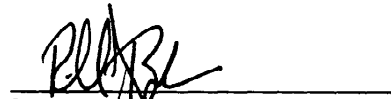
Respectfully Submitted,


CYNTHIA J. KURTZ
City Manager

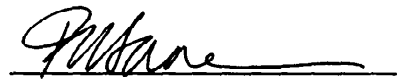
Prepared by:


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Concurrence:


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