

Agenda Report

TO: CITY COUNCIL **DATE:** MAY 16, 2005
FROM: CITY MANAGER
SUBJECT: LEASE EXTENSION
FIRE DEPARTMENT ADMINISTRATIVE OFFICES
199 S. LOS ROBLES AVENUE, 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 occupancy of the Fire Department's administrative offices at 199 S. Los Robles Avenue, Suite 550, for five-years with two, one-year options.

BACKGROUND

The Fire Department administrative offices have occupied space at 199 S. Los Robles Avenue since August 27, 1990. The lease expires November 30, 2005. The Fire Department intends to continue occupancy at this location for at least five more years until November 30, 2010, and may extend for another two-years.

The proposed five-year extension would have a base rental rate of \$2.05 per rentable square foot per month for the 7,498 rentable square foot premises. The new lease provides a tenant improvement allowance sufficient to completely repaint and re-carpet the premises and construct security partitions deemed necessary by the Fire Department. The full service gross lease provides the City pay its proportional share of annual increases in operating expenses and taxes over the base year, 2005. Annual rent increases of \$0.05 per square foot per month average about 2.4 percent per year.

Fire Department Lease @ 199 S. Los Robles Ave.

As contemplated, rent will be slightly less than currently paid and the first increase will not begin until the second year. The agreement also provides the City may lease up to thirty parking spaces at the prevailing rates, 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

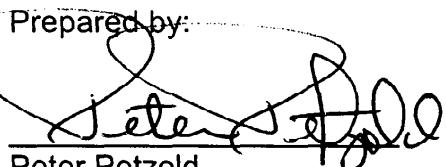
Under the proposed agreement, rent will continue at slightly less than the current rate, and the landlord will provide up to \$75,000 in refurbishment costs. Savings during the first year of the Lease extension will be approximately \$10,500 below the budgeted amount.

Respectfully Submitted,



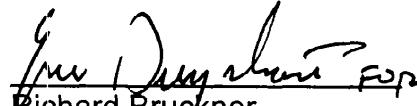
CYNTHIA J. KURTZ
City Manager

Prepared by:



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Richard Bruckner
Director of Planning and
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Concurrence:



Dennis J. Downs
Fire Chief