

Agenda Report

DATE: February 2, 2004

TO: CITY COUNCIL

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: LEASE AMENDMENT FOR THE TRANSPORTATION
DEPARTMENT AT PARK CENTER LOCATED AT 221 E.
WALNUT STREET

RECOMMENDATION:

It is recommended that the City Council approve the terms and conditions, as generally described below and authorize the City Manager to execute an amendment to Lease No. 16,436-1 and any other documents necessary to carry out this transaction.

BACKGROUND:

It is necessary for the City of Pasadena to lease office space for employee relocation during the 3-year period projected to complete the City Hall seismic retrofit.

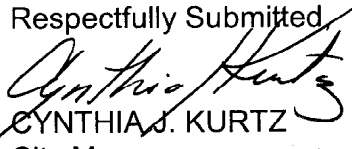
Currently, the Transportation Department is housed in both City Hall and at Park Center. The proposed lease amendment will move the remainder of the Transportation staff to Park Center. 5,551 rentable square feet will be required for the relocated staff, bringing the total area leased to 10,308 rentable square feet. The new term will begin May 1, 2004 and end on April 30, 2007. Departmental needs require that the move occur one month prior to the beginning of the City Hall retrofit. There will be an option for three additional one-year periods, which the City may terminate by giving 90 days notice.

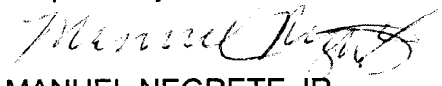
The new terms and conditions for this full service lease are: 1) The new base rent is \$1.70 per rentable square foot per month for the first year with increases in the second and third years based on the increase in the consumer price index, which is currently at about 4% per annum. The current lease for 4,604 rentable square feet was due for an annual increase in August but by establishing the new commencement date, the City will save about \$3,000 the first lease year; 2)

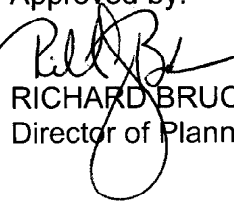
the landlord will provide 12 parking spaces at no cost and the City may purchase up to 16 additional spaces at \$60 per space, which is market rate; 3) the agreement also requires the Landlord to install at his expense, all tenant improvements (build to suit) in Suite 199; and 4) provide additional tenant improvements in the existing lease space in Suite 210, comprised of construction of a new interior office and counter along with the demolition of an existing office and construction of new walls and doors at various locations.


FISCAL IMPACT

Funds are available in the Transportation Department budget.

Respectfully Submitted,

CYNTHIA J. KURTZ
City Manager

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Approved by:

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Concurred By:

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