

Agenda Report

TO: CITY COUNCIL **DATE:** JULY 11, 2005
FROM: CITY MANAGER
SUBJECT: LEASE EXTENSION – AGREEMENT #17,094
NEIGHBORHOOD CONNECTIONS
1384 EAST WALNUT STREET
PASADENA, CA

RECOMMENDATION

It is recommended that the City Council:

1. Approve the terms and conditions as described below, and authorize the City Manager to execute an agreement extending occupancy of Neighborhood Connections' offices at 1384 East Walnut Street, for three-years with two, three-year options; and
2. Approve a journal voucher appropriating \$4,410, from the General Fund unappropriated fund balance to the Neighborhood Connections budget account 8105-101-643200 for the increased cost of the lease.

BACKGROUND

Neighborhood Connections, an agency of the Department of Human Services and Recreation has occupied offices at 1384 East Walnut Street since September 15, 1999. The current lease expires on September 14, 2005. Neighborhood Connections intends to continue occupancy at this location for at least three more years, and may consider extending for an additional six-year period.

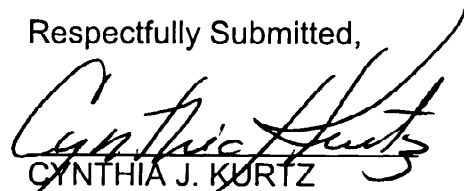
The proposed three-year extension would have a base rental rate of \$2.05 per rentable square foot per month for the 850 square foot premises. The agreement requires the landlord repaint and re-carpet the suite and make repairs deemed necessary by the City. The full service gross lease provides annual rent increases in accordance with the Consumer Price Index, but has no operating expense pass-through clause.

As contemplated, the new rent will be approximately 13 percent more than the current contract rent, and the first rent increase will not begin until the second year. In addition to common parking lot rights, the agreement provides the City one reserved and two unreserved parking spaces at no additional cost. Based upon a survey of comparable competing buildings, the proposed rental rate and terms are better than those at competitive facilities.

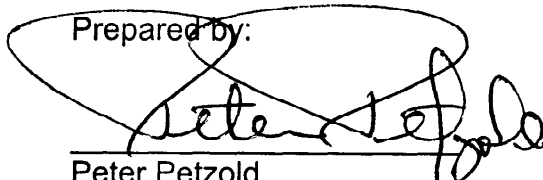
FISCAL IMPACT

The proposed recommendation will increase appropriations from the General Fund by \$4,410. Sufficient funding is available in the General Fund unappropriated fund balance.

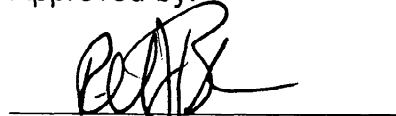
Respectfully Submitted,


CYNTHIA J. KURTZ
City Manager


Prepared by:


Peter Petzold
Assistant Property Manager

Approved by:


Richard Bruckner
Director of Planning and
Development

Concurrence:


Patsy Lane, Director Human
Services and Recreation