

Agenda Report

TO: CITY COUNCIL

DATE: June 6, 2005

FROM: CITY MANAGER

SUBJECT: LEASE EXTENSION FOR PASADENA WATER AND POWER
ADMINISTRATIVE OFFICES AT 150 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 Pasadena Water and Power administrative offices at 150 S. Los Robles Avenue, for three-years with one, two year option.

BACKGROUND

Pasadena Water and Power (PWP) currently houses its main offices in leased office space at 150 S. Los Robles Avenue. This leased space is comprised of 15,443 rentable square feet on the 2nd floor, 7,985 on the 3rd floor and 1,199 on the 6th floor for a total of 24,627 rentable square feet. This lease is scheduled to expire on September 30, 2005. PWP intends to continue occupancy at this location for at least three more years until September 30, 2008, and may wish to extend for an additional two-years.

The proposed three-year extension would have a base rental rate of \$2.07 per rentable square foot per month. The new lease provides for the right for PWP to place its name on the new monument sign being constructed by the landlord, at the landlord's expense on S. Los Robles Ave. to allow easier identification of PWP's offices. 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 \$0.06 per square foot per month average about 2.8 percent per year.


The terms and conditions of the current agreement all remain the same with the exception of the items listed in the previous paragraph. The agreement provides the city may lease up to seventy four parking spaces at the prevailing rate, currently set at \$65 for unreserved, \$75 for tandem and \$95 for reserved parking

spaces per month. Based upon a survey of comparable competing buildings, these are at market levels.

FISCAL IMPACT

Sufficient funds for the first year of lease payments have been requested in the FY 2006 Recommended Operating Budget.

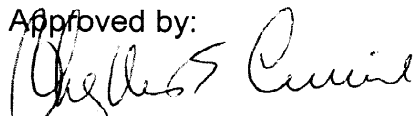
Respectfully submitted,


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