

Agenda Report

DATE: AUGUST 14, 2006

TO: CITY COUNCIL

FROM: CYNTHIA J. KURTZ

SUBJECT: RESTATED AND AMENDED SUBLEASE TO AGREEMENT NO. 16,168 BETWEEN THE CITY OF PASADENA AND HAESUK VIVIAN YOON, 30 SOUTH FAIR OAKS AVENUE (OLD PASADENA SCHOOLHOUSE BLOCK PARKING STRUCTURE)

RECOMMENDATION

It is recommended that the City Council approve the terms and conditions of and authorize the City Manager to execute, a Restated and Amended Sublease to Agreement No. 16,168, originally between the City of Pasadena, as Sublessor, and Haesuk Vivian Yoon, as Sublessee.

BACKGROUND

On October 7, 1996, the City and Sublessee entered into Sublease Agreement No. 16,168 for the lease of "General Store" commercial space within the Old Pasadena Schoolhouse Block Parking Structure.

On October 10, 2001, the First Amendment adjusted the rentable area and extended the original ten-year term an additional ten-years, providing for it to expire on October 6, 2011. Subsequently, on August 29, 2004, with the City's approval, the lease was assigned to Suk Ja Park.

Ms. Park, as Sublessee has fulfilled all her obligations under the lease and in April 2006, exercised the First Renewal Option under the agreement and requested a second Five-Year Renewal Option.

The Restated and Amended Sublease would effectuate one additional five-year option, which if exercised would extend the lease to October 6, 2016. While the lease would be updated and the terms clarified, essentially the basic provisions of the agreement, including periodic rental increases remain unchanged.

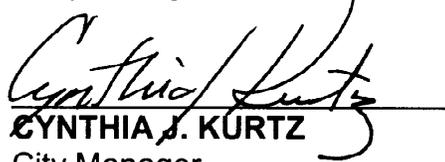
If exercised this additional option would provide a total remaining occupancy period of approximately ten-years, allowing the Sublessee to arrange for capital; and to conduct necessary renovations to the premises.

FISCAL IMPACT

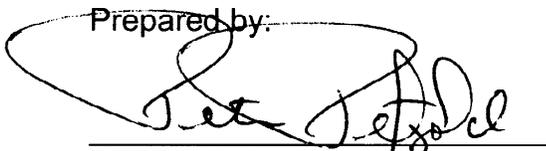
The current rent is \$2,191.38 per month. The present lease term expires on October 6, 2006 when rent will be adjusted to market level; as it would for the subsequent proposed five-year renewal periods.

The Restated and Amended lease also provides for annual rent increases consistent with the cost of living index. In addition to rental income, some savings may materialize by avoiding vacancy loss and/or real estate brokerage commissions at the end of the current lease term.

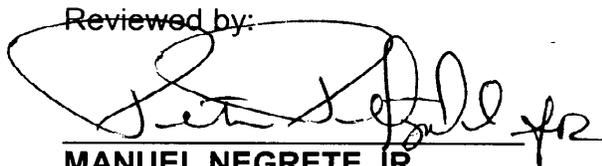
Respectfully submitted,


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