

APPROVED
BY THE CITY COUNCIL

MAR 30 1999

OFFICE OF THE
CITY CLERK



1.3

DEPARTMENT OF
PUBLIC WORKS

TECHNICAL SERVICES
REAL ESTATE SERVICES

CITY OF SACRAMENTO
CALIFORNIA

915 I STREET
ROOM 200
SACRAMENTO, CA
95814-2700
PH 916-264-5710
FAX 916-264-8250

March 11, 1999

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: LEASE EXTENSION AND AMENDMENT, 927 10TH STREET BUILDING

LOCATION AND COUNCIL DISTRICT: 927 10TH Street, District 1

RECOMMENDATION:

This report recommends that City Council:

- Authorize, by resolution, the execution of a lease extension and amendment with Young-Ingemanson for the building at 927 10th Street.

CONTACT PERSON:

Rhonda R. Lake, Real Property Agent, 264-7902
Duane Wray, Technical Services Manager, 264-8279

FOR COUNCIL MEETING OF: March 30, 1999

SUMMARY:

The City has exercised the second of two one-year options to renew the Lease of premises at 927 10th Street. An additional three (3) year term has been negotiated to include a term ending on February 28, 2003, subject to City Council approval. The leased premises provides office space for several work groups within the Technical Services Division of Public Works, including Architecture and Engineering Services, Contract Services, Funding and Priorities, Advanced Solutions Group, Technical Assistance and the Learning Center.

City Council
Lease Extension and Amendment, 927 10th Street Building
March 11, 1999

The monthly rental will remain at the current rate of approximately \$1.27 per square foot per month for the renewed period and extended term. The monthly rent is \$35,405 for a full service agreement without pass-through expenses to the City. An additional option to renew the lease for a one (1) year period at the then current market rate is included in the agreement. At the time such option to renew is exercised, the rate will be agreed upon by the parties.

The Lessor will, at its sole cost and expense, install new carpet in portions of the building where needed, as agreed to by the parties.

Staff has conducted a survey of rental rates for buildings of similar type in close proximity to the subject building and has determined that the rates negotiated fall within market parameters.

BACKGROUND INFORMATION:

By resolution, City Council authorized the execution of a five (5) year lease of the building, dated August 26, 1992, identified as City Agreement No.92-151; and previously executed an agreement to renew the lease, dated April 20, 1995, identified as City Agreement No. 92-151-1; and also an amendment to the lease for tenant improvements, dated July 17, 1997, identified as City Agreement No. 92-151-2. The lease included two, one-year options to renew.

FINANCIAL CONSIDERATIONS:

The monthly rent will remain fixed at \$35,405 throughout the term. Extension of the lease will mean no moving cost or disruption to the operations of staff currently housed in the space.

ENVIRONMENTAL ISSUES:

The Environmental Services Division has determined that extension of an existing lease has no potential for causing an environmental impact and is exempt under CEQA Guidelines, Section 15061(3).

POLICY CONSIDERATIONS:

This item conforms to City policy, in that the lease extension will provide adequate office space for critical City functions close to City Hall.

City Council
Lease Extension and Amendment, 927 10th Street Building
March 11, 1999

MBE/WBE:

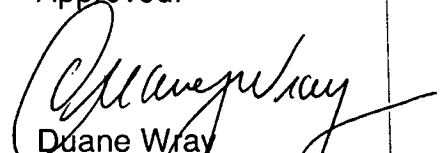
None. No goods or services are being purchased.

Respectfully submitted,



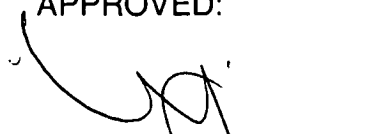
Gary Alm
Development Services Manager

Approved:



Duane Wray
Technical Services Manager

APPROVED:



Michael Kashiwagi
Director of Public Works

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

APPROVED
BY THE CITY COUNCIL

MAR 30 1999

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 99-139

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING THE EXECUTION OF
A LEASE EXTENSION AND AMENDMENT
WITH YOUNG-INGEMANSON
FOR THE 927 - 10TH STREET BUILDING

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the City Manager is hereby authorized and directed to execute a lease extension and amendment with Young-Ingemanson for the building at 927 - 10th Street, a copy of which is on file with the Office of the City Clerk.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____