



Metropolitan Water Planning

Sacramento City-County
Office of Metropolitan
Water Planning

660 J Street
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Sacramento, CA 95814

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August 12, 2004

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: ADDENDUM TO EXTEND LEASE FOR 660 J STREET, SUITE 260, FOR THE SACRAMENTO CITY-COUNTY OFFICE OF METROPOLITAN WATER PLANNING

LOCATION/COUNCIL DISTRICT:

South side of J Street between 6th and 7th Streets, in Council District 1.

RECOMMENDATION:

This report recommends that City Council, by resolution, authorize the execution of an addendum to extend the lease with Downtown Plaza LLC for office space at 660 J Street, Suite 260, for the Sacramento City-County Office of Metropolitan Water Planning.

CONTACT PERSONS: Kathleen Howard, Administrative Analyst, 264-1995
Rhonda R. Lake, Staff Aide, General Services, 264-7902

FOR THE COUNCIL MEETING OF: August 24, 2004

SUMMARY:

This report recommends approval of an addendum to extend the lease with Downtown Plaza LLC for office space located at 660 J Street, Suite 260, in the downtown business district. The second floor suite is comprised of approximately 2,456 square feet and houses the administrative offices of the Sacramento City-County Office of Metropolitan Water Planning.

The extended five (5) year term will commence October 1, 2004 at a monthly rental rate of Four Thousand Five Hundred Forty Three Dollars and Sixty Cents (\$4,543.60) which represents a rate of \$1.85 per square foot. The rental rate will adjust annually \$0.05 per square foot, ending at \$2.05 in the final year of the term. The lease is a full service agreement wherein the Lessor is responsible for all expenses, including maintenance and repairs, utilities, janitorial, and other costs of operation and management. In addition, staff will continue to have use of the premises for meetings after normal business hours without additional charge for rent. All other terms and conditions of the lease will remain the same.

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COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

The Sacramento City-County Office of Metropolitan Water Planning, created in 1991, coordinates and staffs the work of the Water Forum, a diverse group of business and agricultural leaders, citizen groups, environmentalists, water managers and local governments in the Sacramento, Placer and El Dorado areas. The collaborative efforts of the Water Forum are directed to achieve two coequal objectives:

- Provide a reliable and safe water supply for the region's economic health and planned development to the year 2030; and
- Preserve the fishery, wildlife, recreational and aesthetic values of the Lower American River.

By virtue of its work, the Water Forum holds numerous meetings attended by a variety of stakeholders. In 1999, Council approved a five (5) year lease with Downtown Plaza LLC for the subject office space to relocate staff closer to other City and County functions, as well as various consultant offices. The current lease, identified as City Manager Agreement No. 99-154, will expire on September 30, 2004; however, the agreement includes a five (5) year option to renew through September 30, 2009.

FINANCIAL CONSIDERATIONS:

In accordance with the original lease, rent for the extended term is to be "fair market." Therefore, the parties have agreed to adjust the current monthly rental rate from \$1.80 to \$1.85 per square foot for the first year of the extended term. Thereafter, each year on October 1, the rate will adjust \$0.05 per square foot such that the lease rate will be \$2.05 in the final year of the term. Staff has determined that the rental rate falls within market parameters for full service office space offering a comparable location, amenities and lease terms. Rental payments will be made from account 513-880-8810-4231 – Water Forum Successor Effort (WFSE).

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ENVIRONMENTAL CONSIDERATIONS:

City's Environmental Planning Services 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).

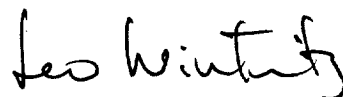
POLICY CONSIDERATIONS:

Extending this lease is essential for Water Forum staff to continue implementation of the Water Forum Agreement without disruption. The Water Forum's two co-equal objectives, previously quoted under the background information section of this report, support the following four City of Sacramento strategic goals:

- Enhance and preserve the neighborhoods
- Establish and strengthen the community and regional partnerships to enhance the quality of life
- Preserve and expand the arts and culture, open space, urban forest, parks, and recreation opportunities
- Promote and support economic vitality

ESBD CONSIDERATIONS:

No goods or services are being purchased.



Leo Winternitz
Executive Director

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AUTHORIZING THE EXECUTION OF AN
ADDENDUM TO EXTEND THE LEASE WITH DOWNTOWN PLAZA LLC
FOR 660 J STREET, SUITE 260**

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

1. The City Manager is hereby authorized and directed to execute the Addendum to Extend Lease for 660 J Street, Suite 260, with Downtown Plaza LLC, a copy of which is on file with the City Clerk.
2. The City Manager is hereby authorized to execute such additional documents and to take such additional actions as necessary to implement the Addendum.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO _____

DATE ADOPTED _____