



Legislation Text

File #: 11-0922, **Version:** 1

Recommendation to authorize City Manager to execute any and all documents necessary for the Sixth Amendment to Lease No. 26751 with 110 Pine Avenue Holdings, LLC, a Maryland limited liability company, as successor in interest to 110 Pine, LLC, an Arizona limited liability company, for office space at 110 Pine Avenue, Suite 1200. (District 2)

In an effort to consolidate operations and to implement cost savings, City departments are relocating staff from off-site leased office space to existing City-owned facilities at the termination of existing leases. Lease No. 26751 for office space at 110 Pine Avenue, Suites 1100 and 1200, will terminate on September 30, 2011. Staff were previously relocated from Suite 1100, and the process has commenced for the reuse and disposition of the remaining furniture, fixtures and equipment.

Staff from Suite 1200 will be relocated to City Hall subsequent to the relocation of Department of Gas and Oil staff from City Hall to 2400 East Spring Street. The relocation of Gas and Oil staff is scheduled for early November, following the completion of necessary modifications at 2400 East Spring Street. Consequently, staff at 110 Pine Avenue, Suite 1200 will require up to four months beyond the end of the existing Lease to fully complete the relocation to City Hall.

In an effort to facilitate the relocation of all staff from 110 Pine Avenue to City Hall, the proposed Sixth Amendment to Lease No. 26751 has been negotiated and contains the following major terms and provisions:

- Landlord: 110 Pine Avenue Holdings, LLC, a Maryland limited liability company, as successor in interest to 110 Pine, LLC, an Arizona limited liability company.
- Leased Premises: 110 Pine Avenue, Suite 1200, consisting of 8,682 rentable square feet.
- Term: Effective October 1, 2011, the term of the Lease shall be extended on a month-to-month basis.
- Rent: Effective October 1, 2011, the monthly base rent shall be \$1.95 per rentable square foot or \$16,930 per month.
- Termination: Either party may terminate the Lease by providing 60-days prior notification to the other party.

All remaining terms, covenants and conditions in Lease No. 26751 shall remain in full force and effect. This letter was reviewed by Deputy City Attorney Richard F. Anthony on August 22, 2011 and Budget Management Officer Victoria Bell on August 30, 2011.

City Council action on this matter is requested on September 20, 2011, in order to execute the

Amendment in a timely manner.

Monthly base rent costs of \$16,930 are sufficiently budgeted in the Housing Development Fund (SR 135) in the Department of Development Services (DV) to support this activity. There is no impact to the General Fund or to local jobs.

Approve recommendation.

MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

AMY J. BODEK
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER