

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	5/14/12	Open	Action	4/26/12

Subject: Approving the First Amendment to the Lease of Office Space at 1409 28th Street

## ISSUE

Whether to approve the First Amendment to the Addendum for Office Building Lease - 1409 28<sup>th</sup> Street.

## RECOMMENDED ACTION

Adopt Resolution No. 12-05-\_\_\_\_, Approving the First Amendment to the Addendum for Office Building Lease -1409 28<sup>th</sup> Street.

## FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	11,736
Budget Source:	Operating	Next FY:	\$	140,832
Funding Source:	Local	Annualized:	\$	6/07-5/09 – 129,600 6/09-5/10 – 133,920 6/10-5/12 – 138,240 6/12-5/14 – 140,832 6/14-5/15 – 145,152 6/15-5/17 – 148,608
Cost Cntr/GL Acct(s) or Capital Project #:	CC 37/GL #680002	Total Amount:	\$	836,352.00
Total Budget:	\$ 836,352.00			

## DISCUSSION

On April 30, 2007, the RT Board of Directors adopted Resolution No. 07-04-0053, approving RT's lease of office space at 1409 28<sup>th</sup> Street, Suites 206, 208, 210 and additional space at 1409 28<sup>th</sup> Street ("the Bell Lease"). The Bell Lease includes approximately 7,200 sq. ft. of office space. The lease provided for a 5-year term, commencing on June 1, 2007 through May 31, 2012, with four options to extend the lease, first for 2 years and then for 3 additional 1-year terms. The current lease is scheduled to terminate on May 31, 2012.

The parties have agreed to a First Amendment to the lease providing RT with a 5-year extension, commencing on June 1, 2012 through May 31, 2017, with two 2-year options to further extend the lease term through May 31, 2021. If RT exercised its two 2-year options to extend, the rent would be at "market rate".

Approved:

Presented:

Final 5/7/12

General Manager/CEO

Real Estate Administrator

C:\Temp\BCL Technologies\NitroPDF6\@BCL@980AC40A\@BCL@980AC40A.doc

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	5/14/12	Open	Action	4/26/12

Subject: Approving the First Amendment to the Lease of Office Space at 1409 28th Street

Pursuant to the lease terms, RT is obligated to pay \$1.63/Sq ft (\$11,736/monthly) for the first 2 years, \$1.68/Sq ft (\$12,096/monthly) for the next year and \$1.72/Sq ft (\$12,384/monthly) for the final 2 years, plus operating expenses and all costs for any tenant improvements undertaken by RT.

Year	Sq. Ft.	Monthly	Annual
6/12 – 5/14	7,200	\$11,736	\$140,832
6/14 – 6/15	7,200	\$12,096	\$145,152
6/15 - 6/17	7,200	\$12,384	\$148,608

The parties agreed to amend the Lease to include language that the landlord would replace carpet and linoleum in all office suites. The parties agreed that RT may ask the Landlord to perform the work outside of normal business hours, which may result in overtime labor charges. The parties have agreed that RT would reimburse Landlord for any additional labor charges for work performed outside of normal business hours.

Staff recommends that the Board approve the First Amendment to the Addendum for Office Building lease- 1409 28<sup>th</sup> Street.

RESOLUTION NO. 12-05-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

May 14, 2012

**APPROVING THE FIRST AMENDMENT TO THE ADDENDUM FOR OFFICE  
BUILDING LEASE - 1409 28<sup>th</sup> STREET**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE  
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the First Amendment to the Addendum for Office Building Lease – 1409 28<sup>th</sup> Street between Sacramento Regional Transit District (therein “Tenant”) and The Willie A. Bell and Barbara O. Bell Revocable trust (therein “Landlord”), for office space located at 1409 28<sup>th</sup> Street, Sacramento, which will extend the Lease for five (5) years, beginning June 1, 2012 and ending May 31, 2017, for a total rent cost of \$836,352, plus other applicable charges, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute said lease.

\_\_\_\_\_  
BONNIE PANNELL, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary