

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
8	05/22/17	Open	Action	05/16/17

Subject: Approving the Third Amendment to the Lease of Office Space at 2810 O Street/Print Shop

## ISSUE

Whether to Approve the Third Amendment to the Lease of Office Space at 2810 "O" Street/Print Shop.

## RECOMMENDED ACTION

Adopt Resolution No. 17-05-\_\_\_\_, Approving the Third Amendment to the Lease of Office Space at 2810 "O" Street/Print Shop.

## FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	4,000
Budget Source:	Operating	Next FY:	\$	48,000
Funding Source:	Local	Annualized:	\$	48,000
Cost Cntr/GL Acct(s) or Capital Project #:	Cost Center 84 GL 680002	Total Amount:	\$	240,000
Total Budget:	\$ 240,000 over 5yrs (Plus Operating Expenses)			

## DISCUSSION

On May 20, 2004, RT entered into a short-term lease with Marilyn and Anthony Wordlow for use of the old "Print Shop" premises located at 2810 "O" Street, Sacramento, California and further identified as Assessor's Parcel Number (APN) #007-0274-005-0000. The "Print Shop" space consists of approximately 4,000 s.f. and is located directly across the street from RT's Engineering and Construction Department at 2811 "O" Street. The Lease provided for an initial term of six months and three option terms: a 30-month option and two 12-month options.

The building currently houses the entire Human Resource and Risk Departments which consists of approximately 17 of staff members that are responsible for recruiting, interviewing, hiring, providing benefits and employee assistance, statutory leaves, pension plans, and managing the case load for workers compensation and general liability for approximately 970 employees and 875 retirees. Considering all these tasks, RT receives great value for the square footage occupied.

Since 2004, RT has entered into subsequent agreements with the Wordlow's to extend the terms of the lease with no additional increase, which has been good savings to RT. The current agreement ends on May 31, 2017, however there are two additional 1 year term options.

Approved:

Presented:

Final 05/17/17

General Manager/CEO

Real Estate Administrator

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- Third Amendment - Print Shop.doc

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As opposed to exercising the two one year options, RT would like to enter into a third amendment for a 5 year term with no monthly increase (a rate of \$4,000 per month), commencing on June 1, 2017 through May 31, 2022,. This extension is necessary because RT has a continuing need for the building for the foreseeable future. The language in the proposed Third Amendment would authorize RT to extend the lease by 5 years. The lease also contains a 60-day termination clause, which allows either party to terminate the lease early by providing a 60-day written notice of intent to terminate to the other party. This provides RT flexibility to terminate the lease extension if its office space needs change over the course of the 5-year lease extension.

The dates, term, and additional option periods are the only terms and conditions that will be modified. The monthly rent, which has been set at \$4,000 per month during the entire term of this lease, will remain the same during the extended term.

Staff recommends that the Board approve the Third Amendment to the Lease of Office Space.

RESOLUTION NO. 17-05-\_\_\_\_\_

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

May 22, 2017

**APPROVING THE THIRD AMENDMENT TO THE LEASE OF OFFICE SPACE AT  
2810 "O" STREET/PRINT SHOP.**

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

THAT, the Third Amendment to the Lease of Office Space, by and between the Sacramento Regional Transit District (therein "RT") and Anthony P. and Marilyn V. Wordlow (therein "Owner"), whereby the term is extended for five years (to May 31, 2022) and RT is granted one additional 5-year option to extend the lease term, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to sign said Third Amendment.

\_\_\_\_\_  
ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

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