

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	01/28/19	Open	Action	01/23/19

Subject: Approving the First Amendment to the Lease of 1515 S Street

ISSUE

Whether to approve the First Amendment to the Office Lease at 1515 S Street.

RECOMMENDED ACTION

Adopt Resolution No. 19-01-____, Approving the First Amendment to Office Lease with 1515 S Street - Sun Center, LLC

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	19,007
Budget Source:	Operating	Next FY:	\$	19,969
Funding Source:	Local	Annualized:	\$	20,932
Cost Cntr/GL Acct(s) or	Cost Center 84	Total Amount:	\$	59,909
Capital Project #:	GL 680002			
Total Budget:	\$ 59,909			

Note: Annual savings will be approximately \$14,000. See discussion below.

DISCUSSION

On March 1, 2017, Sacramento Regional Transit District (SacRT) entered into a short-term lease with 1515 S Street – Sun Center LLC, a Delaware limited liability company for use of office space located at 1515 S Street, Sacramento, California. The 1515 S Street space consists of approximately 2005 square feet of rentable space. The Lease provided for an initial term of twenty-four months.

The office space currently houses Police Services, which consists of Police Officers and Transit Agents. SacRT leased 1515 S Street to provide a police presence at the 16th Street Light Rail Station. The police presence has enhanced the safety of the surrounding Light Rail Station.

The current office lease will end on March 31, 2019 if not extended. SacRT would like to enter into a First Amendment to extend the lease for an additional 36 month term, commencing on April 1, 2019 and expiring on March 31, 2022.

SacRT is currently paying the rent of \$2,744 per month. Beginning April 1, 2019, the rental rate will be \$1,583 monthly (an annual decrease of \$13,921 from the current rate) and will adjust annually.

Approved:

Presented:

Final 01/23/19

General Manager/CEO

VP, Finance/CFO

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The rental rate includes projected operating expenses (taxes, insurance, janitorial, utilities, common area maintenance) on a monthly basis with slight annual increases due to cost inflation. On April 1, 2020, the rental rate will increase to \$1,664 and, on April 1, 2021 the rental rate will increase to \$1,744.

Staff recommends that the Board approve the First Amendment to Office Lease.

RESOLUTION NO. 19-01-_____

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

January 28, 2019

**APPROVING THE FIRST AMENDMENT TO OFFICE LEASE WITH 1515 S STREET -
SUN CENTER, LLC**

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

THAT, the First Amendment to the Office Lease, by and between the Sacramento Regional Transit District (therein "Tenant") and 1515 S Street - Sun Center LLC (therein "Landlord"), whereby the term is extended for three years (to March 31, 2022), is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary