

STAFF REPORT

DATE: March 10, 2025
TO: Sacramento Regional Transit Board of Directors
FROM: Chris Flores, Chief of Staff/VP, Real Estate
SUBJ: APPROVING THE THIRD AMENDMENT TO THE LEASE OF OFFICE SPACE AT 1529 R STREET

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approval of the Third Amendment will allow Sacramento Regional Transit District (SacRT) to continue occupying office space at 1529 R Street, adjacent to the 16th Street Light Rail Station, used by police services and fare enforcement personnel.

FISCAL IMPACT

The Third Amendment for five additional years totals \$140,661 and represents incremental year-over-year increases of approximately 5% from the per square foot amount paid by SacRT. The lease includes 3 months of FY25 - \$6,363, FY26 - \$25,771, FY27 - \$27,059, FY28 - \$28,412, FY29 - \$29,838, and 9 months of FY30 - \$23,218. These costs are part of the approved FY 25 Operating Budget and will be included in future year budgets as appropriate.

DISCUSSION

Effective March 1, 2017, SacRT entered into a short-term lease for use of office space located at 1529 R Street, Sacramento, California. The office space consists of approximately 2,005 square feet of rentable space and four parking spaces in the garage. The Lease provided for an initial term of 24 months, it was amended in 2019 for an additional 36 months, and amended again in 2022 for an additional 36 months. Staff is recommending that the Board approve a Third Amendment for an additional five-year term with the property owner, SACRAMENTO CA I FGF, LLC, commencing on April 1, 2025 and continuing until March 31, 2030.

The office building currently houses Police Services' Transit Ambassadors. SacRT leased 1529 R Street for the purpose of establishing a Police Services substation and presence at the 16th Street Light Rail Station and for easy deployment among the three light rail lines. The police presence has enhanced the safety of the surrounding light rail station and neighborhood.

RESOLUTION NO. 2025-03-018

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

March 10, 2025

**APPROVING THE THIRD AMENDMENT TO THE LEASE OF OFFICE SPACE AT
1529 R STREET**

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

THAT, the Third Amendment to Office Lease (1529 R Street, Sacramento, California) , by and between the Sacramento Regional Transit District (therein "Tenant") and SACRAMENTO CA I FGF, LLC as successor in interest to 1515 S Street – Sun Center LLC (therein "Landlord"), whereby the term is extended for five years (to March 31, 2030), is hereby approved.

THAT, the General Manager/CEO or his designee is hereby authorized and directed to execute the Third Amendment.

RICK JENNINGS, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary