



**Authorization to Amend Lease for Water Services Customer Service Division  
South Pay Station (Ordinance S-44659)**

Request to authorize the City Manager, or his designee, to amend Contract 124241 with Mountain Park Retail, LLC to extend the term for a three-year period with one three-year renewal option. Further request authorization for the City Controller to disburse funds related to this item.

**Summary**

The Water Services Department is in the final year of a 10-year lease for approximately 2,150 square feet of interior office space at 610 E. Baseline Road, Suite C-5, for operation of the Water Customer Services Division South Pay Station. Annual base rent under the current contract is \$21.38 per square foot. Water Services seeks to continue its operation at this location while researching options for relocating the pay station.

The extended term will be for a three-year period with one three-year renewal option at the City's discretion. Annual base rent during the three-year extended term is \$21.50 per square foot, plus applicable taxes, which is within the range of market rents as determined by the Finance Department's Real Estate Division. Annual base rent will be adjusted to \$23.00 per square foot at the beginning of the three-year option period. In addition to base rent, the City is responsible for utilities, repair, and maintenance of common facilities, and operating expenses.

**Contract Term**

The contract will be amended to extend the term for a three-year period commencing Nov. 1, 2018, with one three-year renewal option.

**Financial Impact**

Annual base rent during the three-year extended term is \$46,225, plus applicable taxes. Annual base rent during the three-year option period will be \$49,450, plus applicable taxes. Estimated total cost for the first year including base rent, utilities, repair and maintenance of common facilities, operating expenses, and applicable taxes will be \$64,100. Funds are available in the Water Services Department

operating budget.

**Concurrence/Previous Council Action**

Contract 124241 was authorized by Ordinance S-35013, adopted May 7, 2008.

**Location**

610 E. Baseline Road, Suite C-5

Council District: 7

**Responsible Department**

This item is submitted by City Manager Ed Zuercher, Deputy City Manager Karen Peters, and the Water Services and Finance departments.