

CITY OF WILDOMAR
CITY COUNCIL AGENDA

1:30 P.M. – SPECIAL MEETING

FEBRUARY 20, 2015
Council Chambers
23873 Clinton Keith Road



Ben Benoit, Mayor
Bridgette Moore, Mayor Pro Tem
Bob Cashman, Council Member
Marsha Swanson, Council Member
Timothy Walker, Council Member

Gary Nordquist
City Manager

Thomas D. Jex
City Attorney

PLEASE TURN ALL PHONES & OTHER DEVICES TO VIBRATE/MUTE/OFF FOR THE DURATION OF THE MEETING. YOUR COOPERATION IS APPRECIATED.

CALL TO ORDER – 1:30 P.M.

ROLL CALL

PUBLIC COMMENTS

1. **Discussion of Issues of General Interest and Concern with Congressman Calvert**

RECOMMENDATION: Staff recommends that the City Council discuss issues of general interest and concern with Congressman Calvert and direct Staff as deemed appropriate.

2. **Office Building Lease Amendment**

RECOMMENDATION: Staff recommends that the City Council:

1. Authorize the City Manager to Sign a Seventh Amendment to the Office Building Lease consisting of Terms Approved by the Council; and
2. Appoint Two Council Members to a City Facility Subcommittee with the purpose of reviewing and overseeing the City Facility needs.

ADJOURN

If requested, the agenda and backup materials will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans With Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

Any person that requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting, may request such modification, accommodation, aid or service by contacting the City Clerk either in person or by phone at 951/677-7751, no later than 10:00 a.m. on the day preceding the scheduled meeting.

I, Debbie A. Lee, Wildomar City Clerk, do certify that on February 19, 2015, by 1:00 p.m., a true and correct copy of this agenda was posted at the three designated posting locations:

Wildomar City Hall, 23873 Clinton Keith Road,
U.S. Post Office, 21392 Palomar Street,
Mission Trail Library, 34303 Mission Trail Blvd.



Debbie A. Lee, CMC
City Clerk

CITY OF WILDOMAR – CITY COUNCIL
Agenda Item #2
GENERAL BUSINESS
Meeting Date: February 20, 2015

TO: Mayor and City Council Members

FROM: Gary Nordquist, City Manager

SUBJECT: Office Building Lease Amendment

STAFF REPORT

RECOMMENDATION:

Staff recommends that the City Council:

1. Authorize the City Manager to Sign a Seventh Amendment to the Office Building Lease consisting of Terms Approved by the Council; and
2. Appoint Two Council Members to a City Facility Subcommittee with the purpose of reviewing and overseeing the City Facility needs.

BACKGROUND/DISCUSSION:

The City has leased office space since July 1, 2008 in the building located at 23873 Clinton Keith Road to perform the business functions of the City. During the past six years the lease has been amended numerous times to reflect the buildings change in ownership, lease term options, and the City's office space needs for operations.

Actions taken by the City Council at the December 10, 2014 meeting provided for securing additional space for offices and a multi-purpose room for conducting meetings, training and community activities. These actions, which secured the offices for a seven year term and centralized the City's operations, were taken at that time in recognition of the increasingly low vacancy rate of the office building due to the improvement of the local economy. Initially, this expansion was planned to accommodate some of the City's documents/records which are currently stored offsite from the City's centralized business operations at 23873 Clinton Keith Road. Further review and analysis of the cost of offsite storage and staff accessing the offsite storage for retrieving various records and mandated record requests, staff inquired as to securing one of the last available onsite spaces, suite 102. This space is climate controlled, ready for immediate occupancy and provides greater security for the City's various records, which most recently are accessed on a daily basis in response to the numerous public records requests. During the last month, the City received over 150 separate requests for documents including 79 separate requests from one source. Until such time as the City can afford an electronic records management system, centralizing all the paper records will provide for a more efficient process of records management. Additionally, a good portion of the records must be maintained for a period of five years (statute of limitations), and since the City is only six years old, there are not a great deal of records which can be destroyed at this time.

FISCAL IMPACT:

None to the FY 2014-15 budget. The lease expense for the 1,279 square foot space is at the same rate as the City's existing space; base rent of \$1.26 per square foot plus related common area costs estimated at \$0.55 per square foot totaling approximately \$2,315 per month. This cost will be partially offset by the cost reductions of terminating the offsite record storage lease expense (\$561/month), the reprogramming of City Clerk's Office records management expense budget to Non-Departmental rental expense budget and existing budgeted General and Administrative expense cost allocations from appropriate funds using the records program.

Submitted and approved by:

Gary Nordquist

City Manager

ATTACHMENT:

Seventh Amendment to the Office Building Lease.

Attachment

A

Seventh Amendment
To the
Office Building Lease

SEVENTH AMENDMENT TO LEASE

This Seventh Amendment to Lease (the "**Seventh Amendment**") is entered into as of this 20th day of February 2015 by and between STRATA OAK, LLC, a Delaware limited liability company ("**Landlord**"), and the CITY OF WILDOMAR ("**Tenant**"), with reference to the following recitals.

RECITALS:

A. On or about July 1, 2008, NAPLES PLAZA LTD, L.P, a California limited partnership ("**Naples**"), and Tenant entered into a Shopping Center Lease (the "**Original Lease**") for that certain premises commonly known as Suite 201 in Oak Creek Phase II (the "**Original Premises**") in the building located at 23873 Clinton Keith Road, Wildomar, California (the "**Building**"). Naples sold the Building and assigned the Original Lease to DUSK, LLC, a Delaware limited liability company which subsequently sold the Building and assigned the Original Lease to Landlord, and Landlord is now the landlord under the Lease. The Original Lease is hereinafter referred to as the "**Lease**". The Lease has been amended May 7, 2009, June 2012, June 27, 2013, September 3, 2013, June 11, 2014, and December, 10 2014. All capitalized terms herein not defined shall be defined as set forth in the Lease.

B. Tenant now desires to amend the Lease to include an additional space; Suite 102.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Premises. Section 1.4 of the Lease is hereby amended to provide that the following Suites in the Building shall be considered as the Premises:

a.	Suites 201-203	3,825 sq. ft.
b.	Suite 207	1,317 sq. ft.
c.	Suite 209	1,204 sq. ft.
d.	Suites 105-107	3,825 sq. ft.
e.	Suite 102	<u>1,279</u> sq. ft.
	Total Rentable Square Feet	11,450 sq. ft

3. Rent Commencement. The Minimum Rent, as set forth herein, for Suite 102 shall commence March 1, 2015.

4. Minimum Rent. Effective March 1, 2015, the Minimum Rent for the Premises shall be Fourteen Thousand Four Hundred Twenty Seven & 00/100 Dollars (\$14,427) per month (\$1.26 per sq. ft.), subject to future adjustment at provided herein. The Minimum Rent shall increase as previously agreed to in the Seventh Amendment.

5. Operating Expenses. Notwithstanding anything to the contrary in the Lease, during the term of the Lease and Extension Term, Tenant's Share of the Operating Expenses and real estate property taxes, which is currently estimated to be \$0.55 per square foot, shall be based on the total square footage of the Premises as established by this Amendment as set forth in Paragraph 1.

6. Ministerial Duties. In consideration of the rights granted to Tenant under the Lease and Seventh Amendment with respect to the use of the Premises for each year during the Term or Extended Term of this Lease, Tenant agrees to pay the Minimum Rent and Operating Expenses provided for herein. Tenant covenants to take such action as may be necessary to include all such Minimum Rent and Operating Expenses

payments due pursuant to this Lease in its annual budgets during the Term or Extended Term of this Lease and to make the necessary annual appropriations for all such Minimum Rent and Operating Expenses payments. The covenants of Tenant regarding Minimum Rent and Operating Expenses shall be considered to be ministerial duties imposed by law and it shall be the duty of each and every public official of Tenant to take such action and do such things as are required by law in the performance of the official duty of such official to enable Tenant to carry out and perform the covenants of Tenant regarding Minimum Rent and Operating Expenses.

7. General Provisions.

7.1 Remainder Unchanged. Except as specifically modified and amended in this Seventh Amendment, the Lease remains in full force and effect and binding on the parties.

7.2 Integration. This Seventh Amendment consists of pages 1 through 4 inclusive, which constitute the entire understanding and agreement of the parties and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the transaction discussed in this Seventh Amendment.

7.3 Effective Date. This Seventh Amendment shall not become effective until the date it has been formally approved by the City Council and executed by the appropriate authorities of the Tenant and Landlord.

7.4 References. All references to the Lease include all their respective terms and provisions. All defined terms utilized in this Seventh Amendment have the same meaning as provided in the Lease, unless expressly stated to the contrary in this Seventh Amendment.

7.5 Counterparts. This Seventh Amendment may be executed in counterparts. Each counterpart shall be deemed an original, and all counterparts shall be deemed the same instrument with the same effect as if all parties hereto had signed the same signature page.

8. Right of Offer to Purchase. If at any point during the term of the Lease or extension thereof, Landlord plans to solicit offers to Purchase the Building, or elects to put Building on the market for sale, Landlord will give Tenant fifteen (15) day prior written notice and, if Tenant so desires, entertain Tenant's written offer to purchase prior to solicitation of or marketing to other potential buyers.

IN WITNESS WHEREOF, the parties hereby execute this Seventh Amendment as of the date first written above.

LANDLORD

STRATA OAK, LLC,
a Delaware limited liability company

By: STRATA EQUITY INTERNATIONAL LLC
a California limited liability company
Its: Managing Member

By: _____
David C. Michan, Manager

TENANT

THE CITY OF WILDOMAR

By: _____

(print name)

Its: _____
(print title)

ATTEST:

By: _____

(print name)

Its: City Clerk

APPROVED AS TO FORM:

By: _____

(print name)

Its: City Attorney