



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 7, 2010

TO: Mayor and Councilmembers

FROM: Community Services Division, Police Department

SUBJECT: Police Department Annex Office Lease Extension

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara to Authorize the Chief of Police to Execute an Amendment to the Police Annex Office Lease With LL&A-2, as Successor of Fairwood Properties, the Owner and Landlord of 222 East Anapamu Street, to Reduce the Monthly Rental Amount to \$14,930.40, and Extend the Term of Lease Agreement No. 20,106 for the Continuing Occupation and Use of the Property for an Initial Term of 18 Months Starting January 1, 2011.

BACKGROUND:

On December 19, 2000, Council approved a lease agreement with Fairwood Properties for the Police Annex office building and underlying real property at 222 East Anapamu Street.

On October 26, 2010, the Redevelopment Agency Board authorized the expenditure of \$277,200 from the Redevelopment Agency's Police Station Renovation Project account to extend the Police Annex Lease at 222 East Anapamu Street for an initial period of 18 months starting January 1, 2011.

DISCUSSION:

The Lease is scheduled to expire on December 31, 2010, unless it is extended by mutual agreement with the current owner, LL&A - 2, a limited liability company (Landlord), as successor of Fairwood Properties. Since the Police Annex is still used by the City for essential law enforcement activities, the Chief of Police and the Landlord both desire to extend the term of the lease, subject to approval by Council.

The proposed lease amendment changes the existing lease term extension option by replacing three five-year options to extend the lease with two eighteen-month options to

extend the lease. The execution of the amendment will exercise one of the two eighteen month options and will extend the term of the lease to June 30, 2012. The remaining option to extend, while not yet exercised, provides for an additional term through December 31, 2013, subject to approval.

The lease amendment also changes the existing monthly base rent which will be adjusted from \$28,684.83 to \$14,930.40 during the remainder of the term of the lease.

BUDGET INFORMATION:

The current, unexpended and unencumbered balance of the Police Department Renovation Project account is approximately \$7,285,000. The proposed 18-month lease extension can be covered by the project account.

PREPARED BY: Captain Gil Torres

SUBMITTED BY: Camerino Sanchez, Chief of Police

APPROVED BY: City Administrator's Office