

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES and BUDGET AND FINANCE COMMITTEES' REPORT relative to a new five-year lease with S and R Partners, LLC for various City departments to occupy office and warehouse space at 1016 North Mission Road.

Recommendation for Council action:

AUTHORIZE the Department of General Services (GSD) to negotiate and execute a new five-year lease, with a retroactive term from April 1, 2019 through March 31, 2024 with S and R Partners, LLC under the terms and conditions as outlined in the subject Municipal Facilities Committee (MFC) report dated November 6, 2019, attached to the Council file.

Fiscal Impact Statement: The MFC reports that for Fiscal Year (FY) 2019-20, there is a General Fund impact of \$279,420 in unfunded costs that will be tracked and addressed through the City's Financial Status Report, which is comprised of: \$130,404 for three months of back pay for 2018-19 rents (\$43,468 per month); and, \$149,019 for 2019-20 rental costs in excess of the level budgeted as part of the GSD's leasing account (\$11,507 for nine months and \$15,152 for three months). Starting in FY 2020-21, the annual impact would be \$1,513,088 for ongoing leasing costs plus utilities, operating expenses, and rent escalation that would be addressed through the City's budget process.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on November 13, 2019, the Information, Technology, and General Services Committee considered a MFC report relative to authorizing the GSD to negotiate and execute a new five-year lease, with a retroactive term commencing on April 1, 2019 through March 31, 2024 for the property located at 1016 North Mission Road with S and R Partners, LLC.

After providing an opportunity for public comment, the Committee moved to approve the recommendation contained in the subject MFC report, as detailed above. On November 25, 2019, the Budget and Finance Committee also considered this item and after providing an opportunity for public comment, concurred with the ITGS Committee. This matter is now transmitted to the Council for its consideration.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE



MEMBER VOTE
LEE: YES

BLUMENFIELD: YES
RODRIGUEZ: YES

LC 11/13/19

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
PRICE:	ABSENT
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

MM11-25-19 Council file No. 19-0984

-NOT OFFICIAL UNTIL COUNCIL ACTS-