



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE:

Approval of the Second Amendment to the Lease Agreement by and between the City of Sausalito and Richard Morton.

RECOMMENDED MOTION:

Adopt a Resolution of the City Council of the City of Sausalito Approving the Second Amendment to the Lease Agreement by and between the City of Sausalito and Richard Morton.

DISCUSSION

The City of Sausalito and Richard Morton entered into a Lease Agreement dated June 1, 2004 (the "Lease") which provides for Richard Morton to lease Suites 710, 715 and 720 in Building Seven at the MLK Site for use as a woodworking shop. A Lease Amendment extended the term through July 31, 2009.

Mr. Morton vacated Unit 720 on August 1, 2007 and paid a three month termination payment for the unit. Mr. Morton desires to amend his lease to continue leasing Suites 710 and 715 for the balance of the term through July 31, 2009.

The following are the changes to the Lease under the proposed Second Amendment:

1. The Premises would be amended to be Suites 710 and 715 in Building Seven at the MLK site.
2. The monthly rent amount will be \$1,812.72, increasing to \$1,885.23 on August 1, 2008.

FISCAL IMPACT

The City will receive \$515.42 per month less in rent from Mr. Morton as a result of this Lease Amendment. However, the rent would be replaced by \$660.00 in monthly rent if the City Council approves the proposed lease agreement with Rolando B. Rosler and Pamela G. Lewis.

STAFF RECOMMENDATIONS

Staff recommends that the City Council adopt the Resolution of the City Council of the City of Sausalito Approving the Second Amendment to the Lease Agreement by and between the City of Sausalito and Richard Morton.

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ATTACHMENTS:

- 1) A Resolution of the City Council of the City of Sausalito Approving the Second Amendment to the Lease Agreement by and between the City of Sausalito and Richard Morton.
- 2) Draft Second Amendment to the Lease Agreement by and between the City of Sausalito and Richard Morton.
- 3) First Amendment to the Lease Agreement by and between the City of Sausalito and Richard Morton.
- 4) Amended and Restated Lease Agreement by and between the City of Sausalito and Richard Morton.

PREPARED BY:

Kevin Bryant, Deputy Planning Director

REVIEWED BY:

Louise Ho, Finance Director/Treasurer

Mary Wagner, City Attorney

SUBMITTED BY:

Adam Politzer, City Manager

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SAUSALITO, CALIFORNIA
APPROVING THE SECOND AMENDMENT TO THE LEASE AGREEMENT BY AND
BETWEEN THE CITY OF SAUSALITO AND RICHARD MORTON**

WHEREAS, the City of Sausalito leases that certain real property located at 100 Ebbtide and 610 Coloma, Sausalito from the Sausalito School District (the "Site"); and

WHEREAS, Richard Morton currently leases Suites 710, 715 and 720 at the Site from the City for use as a woodworking shop and related offices pursuant to that certain Lease Agreement by and between the City and Richard Morton dated June 1, 2004 (the "Lease"); and

WHEREAS, Mr. Morton has vacated Unit 720 and paid a termination payment under the terms of his Lease, as Amended; and

WHEREAS, the City and Mr. Morton have agreed to enter into a Second Amendment to the Lease to allow for Mr. Morton continued occupancy of Suites 710 and 715 upon all terms and conditions set forth therein; and

WHEREAS, incorporated by reference is the Second Amendment to the Lease Agreement by and between the City and Richard Morton (the "Second Amendment"); and

WHEREAS, the approval of the Second Amendment to the Lease is exempt from the application of the California Environmental Quality Act, Public Resources Code Section 21000, *et seq.*, pursuant to Section 15301 (Class 1 Categorical Exemption) of the State CEQA Guidelines (Title 14, California Code of Regulations Section 15000, *et seq.*).

NOW, THEREFORE, the City Council of the City of Sausalito does hereby resolve as follows:

1. The City Council hereby finds that the Second Amendment to the Lease is exempt from the application of CEQA pursuant to Section 15301 (Class 1 Categorical Exemption) of the State CEQA Guidelines and the City Clerk, or her designee, is directed to cause a Notice of Exemption to be posted in accordance with CEQA.

2. The Second Amendment to the Lease by and between the City of Sausalito and Richard Morton which is incorporated by reference is hereby approved and the Mayor is authorized to execute the Lease on behalf of the City.
3. Upon execution of the Second Amendment to the Lease by the Mayor, the City Manager (or her designee), is authorized, on behalf of the City, to approve and/or sign all documents necessary and appropriate to carry out and implement the Second Amendment, and to administer the City's obligations, responsibilities and duties to be performed under the Second Amendment and related documents.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Sausalito on the ____ day of _____, 2007, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

MAYOR OF THE CITY OF SAUSALITO

CITY CLERK

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SECOND AMENDMENT TO AMENDED AND RESTATED LEASE OF PREMISES

THIS SECOND AMENDMENT TO AMENDED AND RESTATED LEASE OF PREMISES (“First Amendment”), dated effective as of November 14, 2007 (the “Effective Date”), is entered into by and between the **CITY OF SAUSALITO**, a municipal corporation (the “Landlord”), and **RICHARD MORTON**, an individual (the “Tenant”).

RECITALS

The following Recitals are a substantive part of this Agreement:

A. Landlord and Tenant entered into the Amended and Restated Lease of Premises dated as of June 1, 2004 (the “Lease”). Capitalized terms utilized herein and not otherwise defined shall have the same meaning as set forth in the Lease.

B. The Lease provides for Landlord’s lease to Tenant of approximately one thousand seven hundred seventy two (1,722) square feet located in Building 7, Suites 710, 715, and 720 at 610 Coloma Street, City of Sausalito, County of Marin (the “Premises”) for a term ending on May 31, 2005. The Tenant has retained possession of the Premises since the end of the term.

C. Landlord and Tenant entered into this First Amendment to the Lease, effective August 1, 2006, to allow for the extension of the term of the Lease through July 31, 2009.

D. Landlord and Tenant desire to enter into this Second Amendment to the Lease to modify the Premises upon the terms and conditions set forth herein.

AGREEMENT

In consideration of the mutual covenants and conditions contained in this Amendment, Landlord and Tenant hereby agree as follows:

Section 1. Premises. Article 1 of the Lease is hereby amended in its entirety to read as follows:

“Landlord leases to Tenant and Tenant leases from Landlord, subject to the following terms and conditions, the real property which Landlord and Tenant agree is deemed to be comprised of approximately one thousand one hundred sixty two (1,162) square feet located in Building 7, Suites 710 and 715 at 610 Coloma Street, City of Sausalito, County of Marin, State of California, a plan of which is hereto attached as Exhibit A (the “Premises”).

Section 2. Rent. Commencing on the Effective Date of this Amendment, the monthly rent to be paid by Tenant to Landlord in accordance with Section 3.1 of the Lease shall be One Thousand Eight Hundred Twelve Dollars and 72/100 (\$1,812.72). The monthly Rent payable by

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Tenant hereunder shall be increased by an amount equal to four percent (4%) of the then applicable monthly rent to the amounts that follow on the dates that follow:

August 1, 2008: One Thousand Eight Hundred Eighty Five Dollars and 23/100 (\$1,885.23)

Section 3. Effect on Lease. Except as expressly set forth herein, the terms and conditions of the Lease shall remain in full force and effect. In the event of any inconsistency between the Lease and this First Amendment, the terms of this First Amendment shall control.

Section 4. Entire Agreement; Conflicts. This Amendment and the Lease contain the entire agreement between the parties with respect to the subject matter hereof. Except as otherwise specified herein, no prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. This Amendment and the Lease shall not be modified or altered except in writing signed by both parties.

Section 5. Execution. This First Amendment may be executed in duplicate original counterparts each of which shall constitute one and the same instrument.

LANDLORD:

CITY OF SAUSALITO, a municipal corporation

Dated: _____, 2007

By: _____
D. Michael Kelly, Mayor

ATTEST:

Deputy City Clerk

APPROVED AS TO FORM:

City Attorney

TENANT:

Dated: _____, 2007

By: _____
Richard Morton

