



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE:

Adoption of a Resolution approving the Second Amendment to Lease Agreement by and between the City of Sausalito and John Lund - MLK

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 John Lund

BACKGROUND

The City and John Lund (the "Tenant") entered into a Lease of Premises dated as of December 14, 2005 which provided for the lease of Suite 154 in Building 1 at the MLK Site – 100 Ebbitide, Sausalito. City and Tenant also entered into the First Amendment to the Lease dated December 1, 2006 which provides for the termination of the lease of Suite 154 and for Tenant's lease of Suite 100 in Building 1 at the MLK site - 100 Ebbitide, Sausalito, California (the "Existing Premises").

Tenant desires to lease additional space in Building 1 - Suite 100-S to be used for storage purposes. Storage is one of the "cottage industries" as defined in the City's Zoning Code and thus a permissible use at the MLK site.

The proposed Second Amendment to the Lease provides for Tenant's lease of Suite 100-S on a month to month basis. As with the existing lease of Suite 100, the lease will automatically terminate on November 30, 2008 unless extended by mutual agreement of the parties. The monthly lease rate for Suite 100-S is \$100.000 or \$1.25 per square foot.

The OMIT Committee has reviewed and approved the terms of the proposed Second Amendment.

FISCAL IMPACT

The proposed Second Amendment to the Lease provides for the lease of Suite 100-S for a monthly rental rate of \$100.00. Suite 100-S was not leased in the past.

STAFF RECOMMENDATIONS

Staff recommends that the City Council:


Adopt a Resolution of the City Council of the City of Sausalito approving the Second Amendment to Lease Agreement by and between the City of Sausalito and John Lund.

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Item #: July 1, 2008
Meeting Date: _____
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ATTACHMENTS

1. Resolution of the City Council of the City of Sausalito approving the First Amendment to Lease Agreement by and between the City of Sausalito and John Lund.
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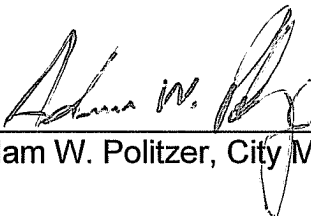
PREPARED BY:


Mary A. Wagner, City Attorney

REVIEWED BY;

Louise Ho, Finance Director

REVIEWED AND SUBMITTED BY;


Adam W. 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 JOHN LUND**

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

WHEREAS, the City and John Lund ("Tenant") entered into a Lease dated December 14, 2005 (the "Lease") for Tenant's lease of a portion of the Site known as Suite 154; and

WHEREAS, the City and Tenant entered into the First Amendment to the Lease dated December 1, 2006 which provided for the cessation of Tenant's lease of Suite 154 and for the lease of Suite 100; and

WHEREAS, Tenant desires to rent additional space from City for use as storage; and

WHEREAS, the City and Tenant desire to enter into a Second Amendment to the Lease (the "Second Amendment") which is attached hereto as Exhibit "A" and incorporated herein by reference to provide for the lease of Suite 100-S upon the terms and conditions set forth therein; and

WHEREAS, the approval of the First Amendment is exempt from the application of the California Environmental Quality Act (California Public Resources Code Section 21000, et seq., "CEQA"), 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 Amendments 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 Agreement by and between the City of Sausalito and John Lund which is attached hereto as Exhibit "A" is hereby approved and the Mayor is authorized to execute the Second Amendment on behalf of the City.

3. Upon execution of the Second Amendment by the Mayor, the City Manager (or his 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 _____, 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR OF THE CITY OF SAUSALITO

ATTEST

DEPUTY CITY CLERK

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Exhibit "A"

SECOND AMENDMENT TO LEASE OF PREMISES

THIS SECOND AMENDMENT TO LEASE OF PREMISES ("Second Amendment"), dated effective as July 1, 2008 (the "Effective Date"), is entered into by and between the **CITY OF SAUSALITO**, a municipal corporation (the "Landlord"), and **JOHN LUND**, an individual (the "Tenant").

RECITALS

The following Recitals are a substantive part of this Agreement:

A. Landlord and Tenant entered into a Lease of Premises dated as of December 14, 2005 (the "Lease") which provided for Tenants lease of that certain real property commonly known as Building 1, Suite 154, 100 Ebbtide, Sausalito, California.

B. Landlord and Tenant entered to the First Amendment to the Lease dated December 1, 2006 (the "First Amendment"). The First Amendment provides for the termination of Tenant's use of Suite 154 and for the Landlord's lease to Tenant of that certain real property commonly known as Building 1, Suite 100, 100 Ebbtide, Sausalito, California (the "Existing Premises"). The Lease and the First Amendment are referred to collectively herein as the "Lease."

C. Landlord and Tenant desire to enter into this Second Amendment to the Lease in order to provide for Tenant's lease of additional space in Building 1, known as Suite 100-S, 100 Ebbtide, Sausalito, California (the "Additional Space") on a month to month basis 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. Section 1 of the Lease is hereby amended to provide that commencing on the Effective Date of this Second Amendment in addition to the lease of the Existing Premises, Landlord leases to Tenant and Tenant leases from Landlord Building 1, Suite 100-S, 100 Ebbtide, Sausalito, California (the "Additional Space") subject to all of the terms and conditions of the Lease as amended by this Amendment. As utilized in the Lease the term "Premises" shall include both the Existing Premises and the "Additional Space".

Section 2. Term. The lease of the Additional Space shall be on a month-to-month basis and can be terminated by either party upon thirty (30) days written notice to the other party provided, however, that unless earlier terminated the Lease of the Additional Space shall

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automatically terminate and be of no further force and effect with no notice required on the Expiration Date of Tenant's lease of the Existing Premises (November 30, 2008).

Section 3. Rent. Commencing July1, 2008, Tenant agrees to pay Landlord, as "Rent" for the Additional Space, One hundred dollars (\$100.00) monthly, in advance of the first day of each month during the Term of this Lease.

Section 4. Use. The Additional Premises shall be used only for purposes of storage.

Section 5. Security Deposit. Concurrently with the execution of this Amendment Tenant is required to deposit One hundred fifty dollars (\$150.00) with Landlord as the Security Deposit for the Additional Space.

Section 6. Insurance. Within thirty (30) days of the Effective Date Tenant shall provide Landlord with a Certificate of Insurance demonstrating that insurance meeting the requirements of Article 9 of the Lease has been obtained for the Additional Space.

Section 7. Termination. Either party may terminate Tenant's lease of the Additional Space at any time upon thirty (30) days written notice to the other party.

Section 9. 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 Second Amendment, the terms of this Second Amendment shall control.

Section 10. Entire Agreement; Conflicts. This Second 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 Second Amendment and the Lease shall not be modified or altered except in writing signed by both parties.

Section 11. Execution. This Second Amendment may be executed in duplicate original counterparts each of which shall constitute on and the same instrument.

LANDLORD:

CITY OF SAUSALITO, a municipal corporation

Dated: _____, 2008

By: _____
Amy Belser, Mayor

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ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

TENANT:

Dated: _____, 2008

By: _____
John Lund

4/16/08
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