



# STAFF REPORT

## SAUSALITO CITY COUNCIL

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**AGENDA TITLE:** Policy of the City Council of the City of Sausalito to leave current rent reductions at MLK in place.

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**RECOMMENDED MOTION:** Move to adopt a policy of the City Council of the City of Sausalito to retain the current reduced rents at MLK.

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### DISCUSSION

The City Council is being asked to consider adopting a policy retaining the current reduced rents at MLK. The reduced rents would remain in effect until a date to be determined in the future by the City Council.

This policy will state that it is the City Council's intent to allow current reduced rents to remain until the City Council determines otherwise.

Given the current economic climate, the tenants with the rent reductions at MLK are unable to return to their previous rents. Asking them to do so would threaten their ability to stay at MLK. One of these tenants is a non-profit day-care center, and the others are artists. They have all been tenants for many years (29 years for one), and are part of our community.

There is no certainty that if these tenants were to leave that the City could find tenants willing and able to pay higher rents.

### FISCAL IMPACT

None immediately. The intent of this recommendation is to assist the tenants that are currently at MLK to stay. In theory, this could have a positive fiscal impact, and testing that assumption could result in a negative fiscal impact.

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## MLK CURRENT REDUCED RENTS

### MLK TENANTS WITH A RENT REDUCTION as of 02/20/10

Space #	Tenant Name	Sq Ft	Price per sq ft	Monthly Rent	Rent Reduction to:
100	John M Lund	1103	\$1.55	\$1,709.65	31-Dec-2009
138B	Pippa Murray (storage)	504	\$0.86	\$433.44	31-Mar-2010
220	George Dapsevicius	468	\$1.67	\$781.56	31-Mar-2010
230	Pippa Murray	415	\$1.67	\$693.05	31-Mar-2010
320	David Maisel Photography	934	\$1.05	\$980.70	31-Dec-2009
550	Community Action Marin	1229	\$1.00	\$1,229.00	31-Mar-2010
560	Community Action Marin	968	\$1.00	\$968.00	31-Mar-2010
570	Community Action Marin	882	\$1.00	\$882.00	31-Mar-2010
580	Community Action Marin	1195	\$1.00	\$1,195.00	31-Mar-2010
710	Rick Morton	420	\$1.11	\$466.20	31-Dec-2009
715	Rick Morton	742	\$1.11	\$823.62	31-Dec-2009
723	Gary Ferber	360	\$1.10	\$396.00	31-Dec-2009
735	Gary Ferber	185	\$1.10	\$203.50	31-Dec-2009
740	John Donovan	1867	\$1.11	\$2,072.37	31-Dec-2009
<b>TOTAL MONTHLY REDUCED RENT</b>				<b>\$12,834.09</b>	

**STAFF RECOMMENDATIONS**

Given the current economic climate, and the fact that there are currently 4 spaces available at MLK and the average length of time a space remains vacant has risen to 6 months, and that the new rents received are well below previous market rents, staff recommends that the City Council adopt policy of the City Council of the City of Sausalito to continue the current reduced rents. The City Council will review this policy as the economic environment changes. The City Council OMIT Committee will monitor management's execution of this policy

**RECOMMENDED MOTION**

*"Move that the City Council of the City of Sausalito adopt a policy that that continues the current reduced rents at MLK."*

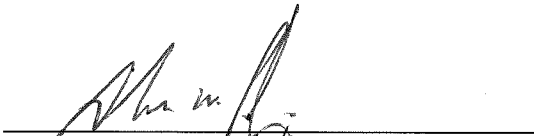
**PREPARED BY:**

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Charlie Francis, Administrative Services Director

**REVIEWED BY:**

  
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Mary Anne Wagner, City Attorney

**SUBMITTED BY:**

  
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Adam W. Politzer, City Manager

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# STAFF REPORT

## SAUSALITO CITY COUNCIL

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**AGENDA TITLE:** Policy of the City Council of the City of Sausalito to acknowledge the conversion of MLK leases to month-to-month terms at lease-end dates.

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**RECOMMENDED MOTION:** Move to adopt a policy of the City Council of the City of Sausalito to acknowledge the conversion of MLK lease terms to month-to-month at lease-end date.

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### DISCUSSION

The City Council is being asked to consider and acknowledge that it is the policy of the City of Sausalito that MLK leases automatically transfer to a month-to-month term at the lease-end dates. The month-to-month terms would remain in effect until a date to be determined in the future by the City Council.

Normally, all MLK tenants have lease terms renewed at lease-end date, however the default is the leases convert to month-to-month at lease-end date. This policy states that it is the City Council's intent to allow leases to remain month-to-month at lease-end date until the City Council determines otherwise.

Given the current economic climate, many tenants are unwilling to enter into a new lease, but are willing to stay on a month-to-month term. The following is a list of all MLK tenants with an expired lease, or with a lease that is due to expire this year

### FISCAL IMPACT

None immediately. The intent of this recommendation is to assist the tenants that are currently at MLK to stay. In theory, this would have a positive fiscal impact.

### MLK LEASE-END DATES

Space #	Tenant Name	Sq Ft	Price per sq ft	Monthly Rent	EXPIRATION
710	Rick Morton	420	\$1.11	\$466.20	07/31/09
715	Rick Morton	742	\$1.11	\$823.62	07/31/09
729	Jeanne Scholz	435	\$1.58	\$687.30	07/31/09
SC2	Rick Morton (STORAGE)			\$100.00	07/31/09
725	Ann Likas / Linda Boyd Cornell	362	\$1.76	\$637.12	10/31/09
105	David Fischer	252	\$1.43	\$360.36	11/30/09
110	Bekke Bruce - storage	1431	\$1.87	\$2,675.97	11/30/09
765	Lorna Newlin (storage)	160	\$0.50	\$80.00	11/30/09

790	Lorna Newlin	390	\$1.50	\$585.00	11/30/09
320	David Maisel Photography	934	\$1.05	\$980.70	12/31/09
330	Lillian Sizemore	675	\$1.50	\$1,012.50	12/31/09
550	Community Action Marin	1229	\$1.00	\$1,229.00	12/31/09
560	Community Action Marin	968	\$1.00	\$968.00	12/31/09
570	Community Action Marin	882	\$1.00	\$882.00	12/31/09
580	Community Action Marin	1195	\$1.00	\$1,195.00	12/31/09
723	Gary Ferber	360	\$1.10	\$396.00	12/31/09
735	Gary Ferber	185	\$1.10	\$203.50	12/31/09
780	James C. Cavanaugh	694	\$1.74	\$1,207.56	12/31/09
138B	Pippa Murray	504	\$0.86	\$433.44	03/31/10
220	George Dapsevicius	468	\$1.67	\$781.56	03/31/10
230	Pippa Murray	415	\$1.67	\$693.05	03/31/10
750	Douglas Sandberg	554	\$1.37	\$758.98	04/21/10
350	New Village School	1478	\$2.00	\$2,956.00	06/30/10
100	John M Lund	1103	\$1.55	\$1,709.65	11/30/10
770	Carlos Badell	869	\$1.35	\$1,173.15	11/30/10
11B	Jonathon Westerling	180	\$1.00	\$180.00	01/30/11
741	Michael Seaman	214	\$1.46	\$312.44	03/31/11
145	Sauslito Yacht Club - storage	280	\$1.38	\$386.40	11/30/11
144	New Village School	1375	\$1.25	\$1,718.75	01/30/12
154	New Village School	358	\$1.25	\$447.50	01/30/12
138	NVS	1538	\$1.25	\$1,922.50	01/31/12
740	John Donovan	1867	\$1.11	\$2,072.37	2012
SC1	John Donovan (storage)			\$100.00	2012
727	Daniel Daniloff	783	\$2.15	\$1,683.45	01/31/13
300	The Marin School	3697	\$2.85	\$10,536.45	08/31/13
301	The Marin School (storage)	137	\$2.85	\$390.45	08/31/13
325	The Marin School	2612	\$2.85	\$7,444.20	08/31/13
400	The Marin School	9748	\$2.23	\$21,738.04	08/31/13
401	The Marin School	130	\$2.23	\$289.90	08/31/13
402	The Marin School	137	\$2.23	\$305.51	08/31/13
500	The Marin School	4076	\$2.23	\$9,089.48	08/31/13
501	The Marin School	116	\$2.23	\$258.68	08/31/13
502	The Marin School	116	\$2.23	\$258.68	08/31/13
100-S	New Village School-storage	80	\$1.00	\$80.00	MO-TO-MO
210	Steve Sara	513	\$1.72	\$882.36	MO-TO-MO
730	Global Wine Company	1116	\$2.00	\$2,232.00	MO-TO-MO
720	VACANT - LOI CHURCHILL VACANT (storage) LOI from	329	\$1.30	\$427.70	
115	NVS VACANT - LOI GARCIA-	108	\$1.25	\$135.00	
340	HOLLMAN	889	\$1.40	\$1,244.60	
785	VACANT - LOI PECK	493	\$1.50	\$739.50	

**STAFF RECOMMENDATIONS**

Given the current economic climate, and the fact that there are currently 4 spaces available at MLK and the average length of time a space remains vacant has risen to 6 months, staff recommends that the City Council, by minute order, adopt a policy of the City Council of the City of Sausalito acknowledging the transfer of lease terms at MLK at lease-end date to month-to-month. The City Council will review this policy as the economic environment changes. The City Council OMIT Committee will monitor management's execution of this policy


**RECOMMENDED MOTION**

*"Move that the City Council of the City of Sausalito adopt a policy that acknowledges the conversion of MLK leases to month-to-month terms at lease-end dates."*

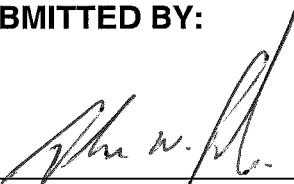
**PREPARED BY:**

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Charlie Francis, Administrative Services Director

**REVIEWED BY:**

  
Mary Anne Wagner, City Attorney

**SUBMITTED BY:**

  
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Adam W. Politzer, City Manager

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# STAFF REPORT

## SAUSALITO CITY COUNCIL

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**AGENDA TITLE:** Policy of the City Council of the City of Sausalito to authorize the City Manager to administratively execute the leases at MLK as long as the leases are consistent with Municipal Code and within rent ranges designated for each class of facility.

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**RECOMMENDED MOTION:** Move to adopt a policy of the City Council of the City of Sausalito to authorize the City Manager to administratively execute the leases at MLK as long as the leases are consistent with Municipal Code and within rent ranges designated for each class of facility.

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### DISCUSSION

Currently, the City Council not only sets policy for managing the commercial use of the MLK facilities, but also administratively executes each lease for all MLK units. In order to improve efficiency by separating policy direction from administration, increase transparency and to hold management accountable for operations and results, the City Council desires to authorize the City Manager to administratively execute the leases at MLK within the following parameters: the leases are consistent with uses and definitions of Municipal Code; and, the leases are within rent ranges designated annually for each class of facility.

The City Council will accomplish oversight of management's execution of policy in the following manner:

1. Annually, through the budget process, the City Council will:
  - a. Adopt rent ranges for each class of units within the MLK facility;
  - b. Review the projected occupancy, rents by unit and total revenues to be generated; and,
  - c. Evaluate property management, operations and, facility maintenance plans, capital improvement needs, and debt service.
2. Quarterly, the City Council will receive, review and comment on:
  - a. An Occupancy Report detailing compliance with Municipal Code and that rented units are within adopted rent ranges
  - b. A Financial Report detailing fiscal results from operations;
  - c. A Property Management Report that focuses on facility condition.
3. Monthly, the City Council's OMIT Committee will review day-to-day operations and fiscal results with the Property Manager and Finance Director.

## **FISCAL IMPACT**

There will be improved cash flows, increased revenues from more timely execution of leases and reduced expenses, labor savings and administrative efficiencies realized through the improved procedures.

## **OMIT/STAFF RECOMMENDATIONS**

The City Council's OMIT Committee has reviewed this policy with staff and recommends to the entire City Council that the City Council of the City of Sausalito adopt a policy that authorizes the City Manager to administratively execute the leases at MLK as long as the leases are consistent with Municipal Code and within rent ranges designated for each class of facility.

## **RECOMMENDED MOTION**

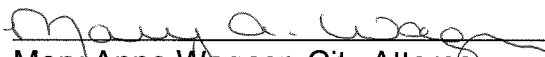
*"Move that the City Council of the City of Sausalito adopt a policy that authorizes the City Manager to administratively execute the leases at MLK as long as the leases are consistent with Municipal Code and within rent ranges designated for each class of facility"*

## **PREPARED BY:**

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Charlie Francis, Administrative Services Director

## **REVIEWED BY:**

  
Mary Anne Wagner, City Attorney

## **SUBMITTED BY:**

  
Adam W. Politzer, City Manager