



# STAFF REPORT

## SAUSALITO CITY COUNCIL

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**AGENDA TITLE:** Approval of the Fourth Amendment to Lease of Premises by and between the City of Sausalito and the New Village School

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**RECOMMENDED MOTION:** Adopt a Resolution of the City Council of the City of Sausalito Approving the Fourth Amendment to Lease of Premises by and between the City of Sausalito and the New Village School

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### DISCUSSION

Commencing in February, 2009 the City began leasing space at the MLK facility to the New Village School (NVS) for the operation of an elementary school. The Lease between the City and NVS has been amended three times. As amended the Lease provides for NVS' use of Suite 144 and the adjacent entry and bathrooms, Suites 100-S, 154 and 138. The Lease also provides for NVS' lease of Suite 115 for storage purposes on a month to month basis.

NVS has been expanding and they are seeking to increase the space that they lease from the City at MLK to add Suite 110 (1431 square feet) and the adjacent 240 square foot storage space (the "Transition Space"). This space will be utilized as an additional class room.

**Term:** The lease term commences on July 28, 2010 and expires on the same date of the space currently leased by NVS – January 1, 2011 – with one option to extend the term for one additional year to January 31, 2012.

**Rent:** Suite 110 - \$1.50/square foot = \$2146.50  
Transition Space - \$1.00/square foot = \$240.00

**Improvements:** There are some minor improvements which need to be completed to allow for the NVS use. NVS will install two new interior doors at its cost and expense and the City will ensure that the electrical service is satisfactory and install lighting in the interior hallway.

The OMIT Committee (Mayor Leone and Councilmember Kelly) has reviewed and approved the terms of the proposed amendment.

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## FISCAL IMPACT

Under the proposed Amendment the City will receive additional monthly rent of \$2386.50.

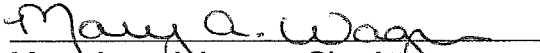
## STAFF RECOMMENDATIONS

Adopt a Resolution of the City Council of the City of Sausalito Approving the Fourth Amendment to Lease of Premises by and between the City of Sausalito and the New Village School.

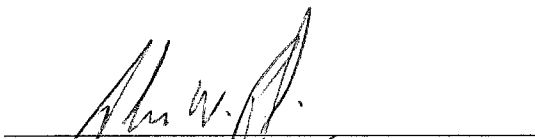
## ATTACHMENTS

1. A Resolution of the City Council of the City of Sausalito Approving the Fourth Amendment to Lease of Premises by and between the City of Sausalito and the New Village School
2. Proposed Fourth Amendment to Lease of Premises by and between the City of Sausalito and the New Village School

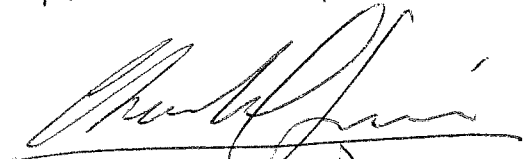
PREPARED BY:

  
Mary Anne Wagner, City Attorney

SUBMITTED BY:

  
Adam W. Politzer, City Manager

Reviewed by:

  
Finance Director

**ATTACHMENT NO. 1**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF SAUSALITO, CALIFORNIA  
APPROVING THE FOURTH AMENDMENT TO THE LEASE AGREEMENT  
BY AND BETWEEN THE CITY OF SAUSALITO AND THE NEW VILLAGE  
SCHOOL**

**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 the New Village School desire to enter into the attached Fourth Amendment to the Lease which is attached hereto as Exhibit "A" and incorporated herein by reference to provide for the lease of Suite 110 and the adjacent 240 square foot storage space (the "Transition Space"); and

**WHEREAS**, the approval of the proposed 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 proposed Amendment 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 Notices of Exemption to be posted in accordance with CEQA.
2. The Fourth Amendment to the Lease Agreement by and between the City of Sausalito and the New Village School which is attached hereto as Exhibit "A" is hereby approved and the Mayor is authorized to execute the Fourth Amendment on behalf of the City.
3. Upon execution of the 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 Amendment, and to administer the City's obligations, responsibilities and duties to be performed under the Amendment and related documents.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Sausalito on the \_\_\_\_ day of \_\_\_\_\_, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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MAYOR OF THE CITY OF SAUSALITO

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CITY CLERK

## Exhibit "A"

### FOURTH AMENDMENT TO LEASE OF PREMISES

**THIS FOURTH AMENDMENT TO LEASE OF PREMISES** ("Fourth Amendment"), dated effective as of July 28, 2010 (the "Effective Date"), is entered into by and between the **CITY OF SAUSALITO**, a municipal corporation (the "Landlord"), and **THE NEW VILLAGE SCHOOL**, a California Non-Profit Public Benefit Corporation ("Tenant").

### RECITALS

The following Recitals are a substantive part of this Agreement:

A. Landlord and Tenant entered into the Lease of Premises dated as of February 1, 2009 (the "Original Lease"), the First Amendment to Lease of Premises dated as of August 1, 2009 (the "First Amendment"), the Second Amendment to Lease of Premises dated as of December 9, 2009 and the Third Amendment to Lease of Premises dated February 23, 2010. The Original Lease, the First Amendment, the Second Amendment, and the Third Amendment shall be referred to collectively herein as the "Lease." Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Lease.

B. The Lease provides for Landlord's lease to Tenant of a portion of the real property located at Building 1, Suite 144 and the adjacent entry and bathrooms at 100 Ebbtide, City of Sausalito, County of Marin, State of California (collectively Suite 144), Suites 100-S, 154 and 138. The Lease also provides for Tenant's Lease of Suite 115 for storage purposes on a month to month basis.

C. Landlord and Tenant desire to enter into this Fourth Amendment in order to provide for Tenant's lease of Suite 110 and the adjacent 240 square foot storage space.

### AGREEMENT

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

**Section 1. Premises.** Article 1 of the Lease is hereby amended to provide that commencing upon the Effective Date of this Amendment, Landlord leases to Tenant and Tenant leases from Landlord Suite 110, 100 Ebbtide, City of Sausalito, State of California (Suite 110) and the adjacent interior space located between Suite 110 and the interior hallway which is approximately 240 square feet (the "Transition Space"). Suite 110 and the Transition Space are subject to all of the terms and conditions of the Lease as amended by this Fourth Amendment. As utilized in the Lease the term "Premises" shall

include Suite 110 and the Transition Space. For purposes of the Lease the parties agree that Suite 110 consists of 1431 square feet.

**Section 2. Term.** The Term of the lease of Suite 110 and the Transition Space (“Term”) shall commence on the Effective Date of this Fourth Amendment (“Commencement Date”) and shall expire at midnight on January 31, 2011 (“Expiration Date”), unless otherwise terminated or extended in accordance with the provisions of the Lease. Provided that Tenant is not in default under this Lease, Tenant shall have one (1) option to extend the Term for one additional period of one (1) year, that is from February 1, 2011 until midnight on January 31, 2012 (the “Extension Term”) upon all of the terms and conditions of the Lease; provided, however that upon the valid exercise of the option the Termination Date for Suite 110 and the Transition Space shall be January 31, 2012 and the monthly Rent payable by Tenant hereunder shall be increased as set forth in Section 3.3 of the Lease. Tenant shall exercise its option by delivering written notice of its election to extend the term of this Lease to Landlord on or before October 1, 2010.

**Section 3. Base Rent.** In addition to the amounts paid by Tenant for Suites 144, 154, 100-S, Suite 138 and Suite 115 Section 3.1 of the Lease is amended to provide that commencing September 1, 2010 Tenant agrees to pay Landlord the following amounts as Base Rent for the Suite 110 and the Transition Space monthly in advance on the first of the month during the Term:

- i. Suite 110: Two Thousand One Hundred Forty Six Dollars and 50/100 (\$2,146.50); and
- ii. Transition Space: Two Hundred Forty Dollars and 00/100 (\$240.00).

**Section 4. Security Deposit.** On or before the Effective Date the Security Deposit provided by Tenant in accordance with Article 6 of the Lease shall be increased by an amount equal to two month’s rent for Suites 110 and the Transition Space which equals Four Thousand Seven Hundred Seventy Three Dollars and 00/100 (\$4773.00).

**Section 5. Insurance.** Prior to the Effective Date Tenant shall deliver to Landlord certificates reasonably acceptable to the Landlord’s City Manager or his designee evidencing that Tenant has obtained insurance meeting the requirements of Article 9 of the Lease for Suite 110 and the Transition Space.

**Section 6. Improvements.**

a. Landlord’s Improvements: On or before August 15, 2010 Landlord shall cause the following improvements to be completed at Suite 110 at its sole cost and expense:

- i) Analyze electrical service to Suite 110 and perform work deemed necessary by City for compliance with the Uniform Building Code.
- ii) Install lighting in Transition Space and interior hallway.

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b. Tenant Improvements: Commencing upon the Effective Date Tenant shall have the right to perform the following improvements at its sole cost and expense; Tenant shall comply with the provisions of Section 8.4 of the Lease with respect to the installation/construction of these improvements:

- i) New, fire rated, interior wall (behind Suite 138) to block access to Suites 132 & 136.
- ii) Using an existing, interior doorframe, restore a door to divide the inside of Suite 154, The Garden Room.

**Section 7. 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 Fourth Amendment, the terms of this Fourth Amendment shall control.

**Section 8. Entire Agreement; Conflicts.** This Fourth 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 Fourth Amendment and the Lease shall not be modified or altered except in writing signed by both parties.

**Section 9. Execution.** This Fourth 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: \_\_\_\_\_, 2010

By: \_\_\_\_\_  
Jonathan Leone, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

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APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

TENANT:

THE NEW VILLAGE SCHOOL, A  
California-Non-Profit Public Benefit  
Corporation

Dated: \_\_\_\_\_, 2009

By: \_\_\_\_\_

Its: \_\_\_\_\_

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