



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE:

Adoption of a Resolution approving the First Amendment to Lease Agreement by and between the City of Sausalito and Daniel Daniloff - MLK

RECOMMENDED MOTION:

Adopt a Resolution of the City Council of the City of Sausalito approving the First Amendment to the Lease Agreement by and between the City of Sausalito and Daniel Daniloff

BACKGROUND

The City and Daniel Daniloff (the "Tenant") entered into a Lease of Premises dated as of February 1, 2006. The Lease provides for Tenant's lease of Suite 727 in Building 7 at the MLK site - 610 Coloma, Sausalito, California for use as a design studio (the "Premises"). The initial term of the lease is for a period of 5 years, that is until January 31, 2011, with one option to extend for an additional two year period.

Tenant has requested a rent reduction from \$2.15 per square foot to \$1.50 per square foot for a six month period which would bring the rent paid by Tenant into line with the monthly rental amount paid by other tenants in Building 7 with similar uses. The monthly rental amount would go from \$1682/month to \$1174.50 for the six month period.

Granting the requested reduction would be consistent with how other artists at the MLK Site have been treated.

FISCAL IMPACT

The proposed First Amendment to the Lease would result in a decrease in the rent paid by Tenant for Suite 210 by a total amount of \$507.50 per month.

STAFF RECOMMENDATIONS

Staff recommends that the City Council adopt a 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 Daniel Daniloff.

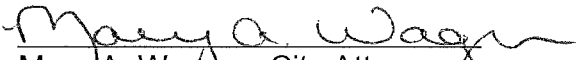
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ATTACHMENTS

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 Daniel Daniloff.

First Amendment to Lease Agreement by and between the City of Sausalito and Daniel Daniloff.

PREPARED BY:


Mary A. Wagner, City Attorney

REVIEWED BY;


Charlie Francis, Administrative Services Director

REVIEWED AND SUBMITTED BY;

Adam W. Politzer, City Manager

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RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SAUSALITO, CALIFORNIA
APPROVING THE FIRST AMENDMENT TO THE LEASE AGREEMENT BY AND
BETWEEN THE CITY OF SAUSALITO AND DANIEL DANILOFF**

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

WHEREAS, the City and Daniel Danilooff desire to enter into the attached First Amendment to the Lease which is attached hereto as Exhibit "A" and incorporated herein by reference; 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 First Amendment to the Lease Agreement by and between the City of Sausalito and Daniel Danilooff which is attached hereto as Exhibit "A" is hereby approved and the Mayor is authorized to execute the First 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

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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:

MAYOR OF THE CITY OF SAUSALITO

CITY CLERK

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EXHIBIT A

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FIRST AMENDMENT TO LEASE OF PREMISES

THIS FIRST AMENDMENT TO LEASE OF PREMISES ("Amendment"), dated effective as November 1, 2010 (the "Effective Date"), is entered into by and between the **CITY OF SAUSALITO**, a municipal corporation (the "Landlord"), and **DANIEL DANILOFF**, 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 February 1, 2006 which provides for Tenant's lease of that certain real property commonly known as Building 7, Suite 727, 610 Coloma, Sausalito, California for a five year term, that is until January 31, 2011 with one option to renew for two years.

B. Landlord and Tenant desire to enter into this Amendment to the Lease in order to provide for a temporary six month rent reduction.

AGREEMENT

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

Section 1. Rent. Commencing November 1, 2010, and for a period of six months thereafter that is until April 30, 2011 the monthly Base Rent to be paid by Tenant to Landlord shall be reduced to be One Thousand One Hundred Seventy Four Dollars and 50/100 per month. Commencing May 1, 2011 the Rent due and owing to Landlord shall return to the full amount due under Section 3 of the Lease.

Section 2. Utilities. The monthly utility charges to be paid by Tenant as set forth in Article 5 of the Lease shall not be less than Ten Cents (\$0.10) per square foot nor more than Fifteen Cents (\$0.15) per square foot of the Premises which for purposes of this Section 4 include 785 square feet.

Section 3. Relocation. A new Article 21 is hereby added to the Lease to read as follows:

"ARTICLE 21. LANDLORD'S RIGHT TO RELOCATE TENANT. Landlord, at any time and from time to time during the Term, shall have the right to relocate Tenant from the Premises as a whole or from one or more of the Suites comprising the Premises (the Premises, or portion thereof, from which Tenant is being relocated pursuant to this Section 21 being referred to herein as the "Old Premises") to other space at the MLK Site which is comprised of the buildings at 100 Ebbtide and 610 Colma (such other space being referred to as the "New Premises"; Landlord's aforesaid right to relocate Tenant

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from the Old Premises to the New Premises being referred to herein as the "Relocation Option").

Landlord shall have the right to exercise the Relocation Option only by giving notice thereof (the "Relocation Notice") to Tenant not later than sixty (60) days before the date that the aforesaid relocation becomes effective (the date that the relocation becomes effective being referred to herein as the "Relocation Date"). A Relocation Notice shall not be effective for purposes of this Section 21 unless Landlord includes therewith a floor plan identifying the New Premises. The New Premises shall (i) be comprised of rentable area equal to or greater than the rentable area of the Old Premises, and (ii) be similar in configuration to the Old Premises.

Tenant shall vacate the Old Premises and surrender vacant and exclusive possession of the Old Premises to Landlord on or before the Relocation Date, provided that Landlord has theretofore delivered vacant and exclusive possession of the New Premises to Tenant in accordance with the terms of this Section 21. Landlord shall reimburse Tenant for any reasonable moving expenses and for any other reasonable costs and expenses incurred by Tenant in so relocating to the New Premises from the Old Premises, within thirty (30) days after Tenant's written request and Tenant's submission to Landlord of reasonable supporting documentation therefore.

From and after the Relocation Date, all references to the Premises herein shall mean the New Premises rather than the Old Premises."

Section 4. 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 Amendment, the terms of this Amendment shall control.

Section 5. 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.

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Section 6. Execution. This 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: _____, 2010

By: _____
Jonathan Leone, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

TENANT:

Dated: _____, 2010

By: _____
Daniel Daniloff

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