



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt a Resolution Authorizing the City Manager to Enter into a Lease Agreement for 210 West Pine Street, Approve Purchase of Office Systems Furniture, and Appropriate Funds in the Amount of \$69,200

MEETING DATE: July 18, 2001

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the City Manager to sign a lease agreement with Envision Law Group, LLP, for the use of 210 West Pine Street, approve the purchase of office systems furniture and other incidental items to furnish the City's portion of leased space, and appropriate funds as shown below.

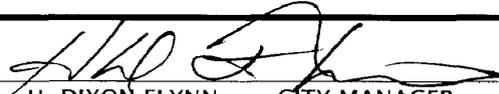
BACKGROUND INFORMATION: The Civic Center buildings, especially City Hall, are full. The office currently occupied by the Community Improvement Manager is now being used by two when it was designed for one. Staff additions recently approved by Council for the Community Development Department (contract and fulltime Community Improvement Officers) have no room for offices, yet need the opportunity to be grouped together, if at all possible. Additionally, the Information Systems (IS) staff is located in three locations in two buildings. Coordination and supervision of IS work is further complicated because of the separation. An IS position recently filled has no designated space of its own, and is currently sharing workspace with others.

With the adoption of the 2001/02 fiscal year budget, there are additional staff that need to be accommodated as well. The Facilities Services Division has added a Facilities Supervisor position and a Construction Projects Manager. Human Resources, the City Clerk's office, and Public Works Engineering are adding staff in the 2002/03 fiscal year.

Staff has discussed several options and is recommending that we keep Community Improvement staff in City Hall and move IS staff out of City Hall to make it work. This gives us the opportunity to consolidate both groups of staff into locations with their coworkers, increasing efficiency and productivity. However, this has created a need for additional office space beyond what City Hall can accommodate. For the short term, until space is available when the new Police Facility is complete, we must look elsewhere in the Civic Center area.

The City has an opportunity to sub-lease a portion of the facility across the street from City Hall (the former Sak's building) for office space. Envision Law Group, LLP, the attorneys working with the City regarding the PCE/TCE issues, are required to have a public depository. They have leased 210 West Pine Street for this purpose, but have 1,885 square feet of space available. Six hundred sixty square feet will be used for IS staff, and 240 square feet furnished as offices for the Fleet and Facilities Manager and the Construction Projects Manager; 985 square feet are for shared bathrooms, hallways, and storage areas. The proposed lease cost is for \$1,000 per month plus costs for shared utilities (water, sewer, electricity, and refuse) and other miscellaneous expenses (i.e., security), at approximately

APPROVED:


H. DIXON FLYNN -- CITY MANAGER

Adopt a Resolution Authorizing the City Manager to Enter into a Lease Agreement for 210 West Pine Street, Approve Purchase of Office Systems Furniture, and Appropriate Funds in the Amount of \$69,200
 July 18, 2001
 Page 2

\$500 per month. Construction will cost approximately \$5,500 for data/communication cabling to link the new office areas to the City's network, and \$2,000-\$5,000 for other construction costs. Additional moneys may be needed for HVAC modifications, depending on the level of improvements made, but can be dealt with later.

The new office areas will be constructed by the contractor doing the remodel work for Envision Law Group, LLP, and the cost of the City's space improvements are incorporated into the lease agreement. The office systems furniture needed to equip the building for IS and the other two work areas will cost \$40,700, but will allow us the ability to relocate the furniture to a permanent home in the future, once that location is determined. A floor plan is attached showing the proposed furniture and office layout. Staff's recommendation is to purchase this furniture, matching that in City Hall and the City Hall Annex, from Haworth Office Systems, c/o Durst Office Interiors, Stockton.

Additionally, three current Facilities Services staff have their office space combined with their shop space. This situation should be changed, separating the two functions. They will be relocated into the area now occupied by the Fleet and Facilities Manager, adjacent to the shop. The new Supervisor position, when filled, can share this space. The Construction Projects Manager, now a fulltime contract position, currently occupies rented space on Sacramento Street. This space costs \$425 per month (for approximately 600 square feet of space). When the Lodi Station Parking Structure is complete he will need office space as well, and that \$5,100 per year savings can help offset the cost of the new space at 210 West Pine Street. Plans for accommodating new staff for Human Resources, Public Works Engineering, and the City Clerk's office within City Hall will continue.

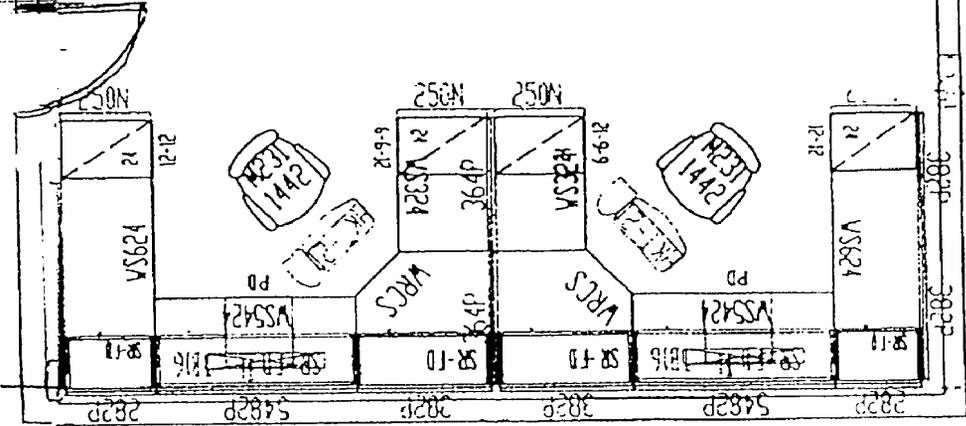
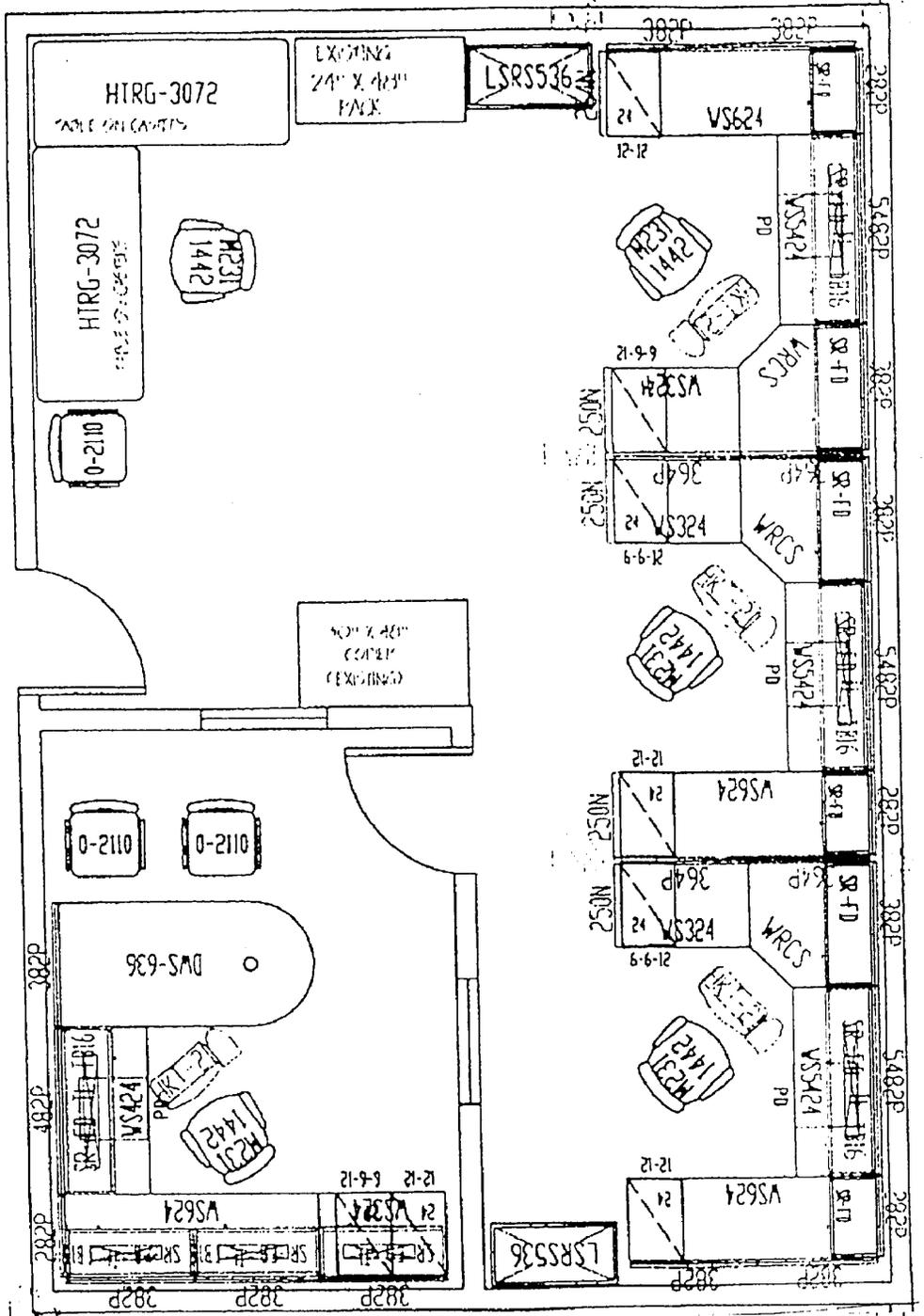
The City Attorney has reviewed the attached lease and his recommendations are included. The suggested lease term is for two (2) years with an option for renewal while the City completes the new Police Facility and remodels the existing Public Safety Building, creating space for a permanent home for the IS and Fleet and Facilities staffs somewhere else in the Civic Center.

FUNDING:	Lease Payment and Costs	\$12,000
	Utilities	\$ 6,000
	Data/Phone Network Cabling	\$ 5,500
	Office Systems Furniture	\$40,700
	Additional Construction Costs and Contingency (building improvements, HVAC, miscellaneous, etc.)	\$ 5,000
	Total	\$69,200
	(\$50,000 Data Processing Capital and \$19,200 Contingency Fund)	

Funding Available: Vicky McAthie
 Vicky McAthie, Finance Director


 Richard C. Prima, Jr.
 Public Works Director

Prepared by Dennis J. Callahan, Fleet and Facilities Manager
 RCP/DJC/lm
 Attachments
 cc: Randy Hays, City Attorney
 Dennis Callahan, Fleet and Facilities Manager
 Rad Bartlam, Community Development Director
 Stan Helmle, Information Systems Manager
 Joseph Wood, Community Improvement Manager
 Joel Harris, Purchasing Officer



RENTAL AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 2001 by and between ENVision Law Group, LLP, hereinafter called "Sub-Lessor", and the City of Lodi, a municipal corporation, hereinafter called "Sub-Lessee."

1. LEASE: Sub-Lessor is entitled to possession of the building located at 210 West Pine Street, Lodi, California pursuant to its Lease with the building owner dated September 28, 2000.
2. PROPERTY: That for and in consideration of the rents to be paid, and the covenants to be faithfully kept and performed by said Sub-Lessee, said Sub-Lessee does hereby lease from said Sub-Lessor, space in the building located at 210 West Pine Street, Lodi, California for the operation of offices, more particularly described as follows:

895 square feet, located at the corner of Church and Pine Streets, as more particularly set forth in Exhibit A attached hereto. Sub-Lessee shall have the exclusive right to vehicle parking in space #8, allotted on a pro rata basis that considers the square footage of Sub-Lessee space, at the parking lot adjacent to the leased premises and situated at the Southwest corner of Pine and Church Streets.
3. TERM: The term of this Agreement shall be two years commencing August 1, 2001.
4. OPTION TO EXTEND TERM: If and only if Sub-Lessor exercises its option under the Lease to extend the term thereof, then Sub-Lessee shall have the right to extend the term of this Rental Agreement for an additional term of one (1) year on the same terms and conditions as provided for herein. To exercise this option, the Sub-Lessee must provide the Sub-Lessor with written notice of Sub-Lessee's intent to exercise this option. To be effective, this written notice must be received in Sub-Lessor's office no less than sixty (60) days prior to the expiration of the current lease term.
5. RENT: In consideration of said Agreement, Sub-Lessee agrees to pay to Sub-Lessor as rent for the demised premises \$1000.00 per month, due and payable by the 15th day of each month. Rent payments shall be directed to ENVision Law Group, LLP, Descro Plaza II, Suite 312, 3687 Mount Diablo Boulevard, Lafayette, CA 94549, for processing and shall be paid without prior notice or demand.
6. USE: The property shall be used solely for the purpose of carrying on the business of the City of Lodi. Use of the facilities for any other program, must be preceded by the Sub-Lessee's written permission.

It is further understood and agreed by Sub-Lessee that Sub-Lessee must comply with all present and future laws, ordinances, rules and regulations promulgated by any governmental authority of competent jurisdiction regulating this type of business during the tenancy and extension thereof. Sub-Lessee shall use and occupy said premises in a quiet, lawful, and orderly manner.

7. **REMEDIES ON DEFAULT:** Should Sub-Lessee fail to pay any part of the rents herein specified at the times or in the manner herein provided, or fail to comply with or perform any other of the terms and provisions of this Agreement on the part of Sub-Lessee to be performed or complied with, then, and in that event, Sub-Lessor may exercise any and all remedies provided by law or equity by reason of such default, including the right, at Sub-Lessor's option, of terminating this Agreement. In any of such events, Sub-Lessor shall be entitled to the immediate possession of said premises, and at its option, may enter into and upon said premises without notice to Sub-Lessee and exclude Sub-Lessee and all persons and all property therefrom, and by process of law or otherwise take and resume possession of said premises. Each and all of Sub-Lessor's remedies shall be construed as cumulative and no one of them as exclusive of the other or as exclusive of any remedy provided by law or equity.
8. **RELATIONSHIP OF PARTIES:** It is understood and agreed that the relationship between the parties is that of landlord and tenant and not as a party or agent of Sub-Lessor. Sub-Lessee, shall carry Worker's Compensation Insurance and observe all laws and regulations applicable to employers.
9. **BUILDING MAINTENANCE:** The Sub-Lessee will share in the maintenance costs of the building on a pro rata basis that considers the square footage of Sub-Lessee space and common areas, nature of use and frequency of service. The precise ratio shall be determined by separate written agreement when the foregoing considerations have been ascertained.
10. **TENANT IMPROVEMENTS:** All tenant improvements must be approved by Sub-Lessor prior to those improvements being made, and must pass all governing agency permitting and licensing requirements. All such improvements, less any unattached furniture and fixtures, shall become the property of Sub-Lessor at the conclusion of this rental agreement.
11. **ASSIGNMENT and SUBLETTING:** Sub-Lessee shall not assign, encumber, convey, or otherwise hypothecate this Agreement, in whole or any part. Sub-Lessee shall not be permitted to sublet the properties.
12. **ENTRY BY SUB-LESSOR AND PROPERTY OWNER/INSPECTION OF PREMISES:** Sub-Lessor and the property owner (including their authorized representatives) shall have the right at all reasonable times during the term of this Agreement to enter said premises for the purposes of examining or inspecting the same.

13. **TERMINATION OF AGREEMENT:** Upon termination of this Agreement, Sub-Lessee agrees to quit and surrender the premises in a peaceable manner and Sub-Lessor shall have the right to remove Sub-Lessee and all others occupying through or under this Agreement.
14. **REPAIRS, ALTERNATIONS OR ADDITIONS:** No alternations or additions to the building shall be performed by Sub-Lessee. Any concerns shall be submitted in writing to Sub-Lessor.
15. **SURRENDER OF PREMISES:** Sub-Lessee shall, at the termination of the Agreement hereby created, or upon the earlier termination hereof for any reason, or upon the extension of the term herein set forth, quit and surrender said premises in good order, condition, and repair, reasonable wear and ter and acts of God or fire excepted.
16. **TAXES:** Sub-Lessor shall pay or cause to be paid, before the same shall become delinquent, all ad valorem property taxes assessed against the demised premises; provided, however, that the Sub-Lessee shall pay all taxes assessed against trade fixtures, leasehold improvements, merchandise, shelves, counter-vaults, vault doors, wall safes, partitions, machinery, plant equipment, and any and all other personal property owned by the Sub-Lessee and located on the demised premises, and shall pay all license fees which may be imposed upon the business of Sub-Lessee conducted upon the premises.

If any of the above taxes are assessed against the real property and because of said assessment the Sub-Lessor or the Property Owner pays the same, which the Sub-Lessor and the proeprty owner will have the right to do regardless of the validity of such levy, the Sub-Lessee upon demand will repay to the Sub-Lessor or property owner (as appropriate) all taxes so levied against the real property.

17. **UTILITIES/MISCELLANEOUS COSTS:** Sub-Lessee shall be responsible during the term of this Agreement for thirty percent (30%) of the utility costs, including water, sewer, refuse, gas and electricity based upon the property use. The utility cost sharing proportion shall be reevaluated in case of significant property use changes. Sub-Lessee shall be responsible during the term of this Agreement for sixteen percent (16%) of the security/alarm costs which reflects Sub-Lessee's pro rata share based on square footage of Sub-Lessee's space and common areas.
18. **MECHANIC'S LIEN:** Sub-Lessee agrees to keep said premises free from all liens and claims of mechanics, laborers, material suppliers, and others for work done and material furnished, and Sub-Lessee shall not create, or suffer to be created, any lien or encumbrance on said premises.
19. **PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE:** Sub-Lessee agrees to indemnify and hold harmless Sub-Lessor, its officers, agents and employees from and against

all claims of whatever nature arising from any act, omission, or negligence of Sub-Lessee or Sub-Lessee's contractors, licenses, agents, servants, or employees, or arising from any accident, injury, or damage whatsoever caused by any person, or to the property of any person, occurring during the term thereof, in or about the demised premises where such accident, damage, or injury, including death, results, or is claimed to have resulted, from any act or omission on the part of Sub-Lessee or Sub-Lessee's agents or employees. This indemnity and hold harmless agreement shall include indemnity against all costs and expenses, including attorney's fees incurred in or in connection with any such claim or proceeding brought thereon and the defense thereof.

Sub-Lessee agrees to maintain in full force during the term hereof a policy of public liability insurance under which Sub-Lessee is named as insured, and containing an additional named insured endorsement naming Sub-Lessor, its officers, agents and employees, as well as the property owner as additional insureds, and under which the insurer agrees to indemnify and hold Sub-Lessee, property owner and Sub-Lessor, its officers, agents and employees harmless from and against all costs expenses and liability arising out of, or based upon, any and all property damage, or damages for personal injuries, including death, sustained in accidents occurring in or about the premises, where such accident, damage, or injury, including death, results, or is claimed to have resulted, from any act or omission on the part of Sub-Lessee, or Sub-Lessee's agents or employees. The minimum limits of such insurance shall be \$1,000,000.00 (One Million Dollars). In addition to the additional named insured endorsement on Sub-Lessor's policy of insurance, said insurance policy shall be endorsed to include the following language:

"Insurance as is afforded by the endorsement for additional insureds shall apply as primary insurance. Any other insurance maintained by the Sub-Lessor or its offices, agents, and employees shall be excess only and not contributing with the coinsurance afforded by this endorsement."

A duplicate or certificate of said public liability and property damage insurance policy containing the above-stated required endorsements shall be delivered to Sub-Lessor within ten (10) days after the issuance and renewal of said policy.

20. Bankruptcy, receivership, and insolvency: If Sub-Lessee should make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or be adjudicated bankrupt or insolvent, or permit a receiver to be appointed to take possession of a substantial portion of its assets or of the premises, and such bankruptcy, insolvency or receivership proceeding shall not be dismissed within ninety (90) days, then Sub-Lessor may, without notice or demand, terminate this Agreement and forthwith reenter and repossess the properties, and remove all persons therefrom, and under no circumstances shall this Agreement be assignable or transferable by operation of law.

21. **ATTORNEY'S FEES:** In each suit brought for recovery of any rent due hereunder, or for the recovery of the possession of said demised premises, or for the breach, or to restrain the breach, of any of the terms, conditions, or covenants of this Agreement, the prevailing party shall be determined by the court in such suit and added to and become a part of the judgment therein.
22. **WAIVER:** Failure of Sub-Lessor to insist upon performance of any of the terms or conditions of this Agreement in any one or more instances shall in no event be construed as a waiver or a relinquishment of its right to future performance thereof, and Sub-Lessee's obligations to such future performance shall continue in full force and effect. The receipt by Sub-Lessor of rent, with the knowledge of the breach of any agreement or condition hereof, shall not be determined to be a waiver of any such breach.
23. **ACCEPTANCE OF PREMISES:** Sub-Lessee has examined the premises, knows the conditions thereof, and accepts possession thereof in their condition.
24. **CONTRACT:** This written Agreement constitutes the entire contract between Sub-Lessee and Sub-Lessor, and no representation or agreement, unless expressed herein, shall be binding on Sub-Lessee or Sub-Lessor.

IN WITNESS WHEREOF, Sub-Lessor and Sub-Lessee have executed this Agreement on the date and year first above written.

ENVISION LAW GROUP, LLP

CITY OF LODI

John C. Meycr

Approved as to form

Randall A. Hays
City Attorney

RESOLUTION NO. 2001-179

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING CITY
MANAGER OR HIS DESIGNEE TO NEGOTIATE A SUBLEASE
AGREEMENT FOR USE OF A PORTION OF 210 WEST PINE
STREET WITH ENVISION LAW GROUP, LLP, AND FURTHER
APPROVE THE PURCHASE OF OFFICE SYSTEMS FURNITURE
AND OTHER INCIDENTAL ITEMS AS REQUIRED, AND
APPROPRIATE FUNDS FOR THIS PROJECT

=====

WHEREAS, the City has an opportunity to sub-lease a portion of the facility located at 210 West Pine Street (the former Saks building) for office space; and

WHEREAS, Envision Law Group, the attorneys working with the City regarding the PCE/TCE issues are required to provide a public depository, and have leased 210 W. Pine Street for this purpose, and will have 1,885 square feet of extra space available to sublease; and

WHEREAS, the Civic Center buildings are in full capacity. Staff additions recently approved by the City Council for the Community Development Department (contract and full-time community improvement officers) have no room for desks, yet need the opportunity to be grouped together if possible; and

WHEREAS, the Information Systems staff are located in three separate locations across two buildings, making coordination and supervision of their work further complicated because of the separation; and

WHEREAS, several options have been discussed, and staff recommends that Community Improvement staff stay in City Hall and move the Information System staff into the newly leased area until the time that the new Police Facility is complete; and

WHEREAS, the new office areas will be constructed by the contractor doing the remodel work for Envision Law Group, and the cost of the City's ongoing expenses for shared utilities, etc., will be incorporated into the sublease agreement; and

WHEREAS, the 1,885 square feet of available space will be as follows: 660 square feet for the IS staff, and 240 square feet for the Fleet and Facilities Manager and the Construction Projects Manager, and 985 square feet of shared bathrooms, hallways, and storage areas; and

WHEREAS, the office systems furniture needed to equip the building for Information Systems and the other two work areas will cost \$40,700.00, but will allow the City to relocate the furniture to a permanent home in the future once that location is determined. Staff recommends purchasing the furniture from Haworth Office Systems, c/o Durst Office Interiors in Stockton.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council hereby authorizes the City Manager, or his designee, to negotiate a Sublease Agreement for the use of a portion of 210 West Pine with Envision Law Group, LLP on behalf of the City; and

BE IT FURTHER RESOLVED, that the City Council hereby approves the purchase of office systems furniture and other incidental items, to furnish the City's portion of leased space in the amount of \$40,705.00; and

BE IT FURTHER RESOLVED, that funds be appropriated in the amount of \$69,200.00 for this project.

Dated: July 18, 2001

=====

I hereby certify that Resolution No. 2001-179 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 18, 2001, by the following vote:

- AYES: COUNCIL MEMBERS – Hitchcock, Howard, Land, Pennino and Mayor Nakanishi
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – None
- ABSTAIN: COUNCIL MEMBERS – None


SUSAN J. BLACKSTON
City Clerk