



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Grant Yates, City Manager

Prepared By: Catherine Eakins, Public Works Administrative Assistant

Date: October 9, 2018

Subject: Addendum No. 3 to Commercial Lease Agreement

Recommendation

Authorize the City Manager to execute Addendum No. 3 to Commercial Lease Agreement for premises located at 114 S. Main Street in such final form as approved by the City Attorney.

Background

The City currently leases the premises at 114 S. Main Street. This building provides office space for the City's Conference Room B, Information Technology Division, and the Fire Marshal. The City entered into the original Commercial Lease and Addendum No. 1 on December 18, 2006 for a five (5) year term, with an initial rent of \$1,780 per month subject to annual adjustments. The City extended the Commercial Lease by Addendum No. 2 in January 2013 for an additional five (5) year term with an initial rent of \$2,000 subject to annual Consumer Price Index (CPI) adjustments. Thereafter, the Commercial Lease continued on a month to month basis.

Discussion

City staff desires to extend the term of the Commercial Lease at 114 S. Main Street, for an additional five (5) year term. The initial rent will equal \$2,121.12 per month and increase annually based on CPI. All other terms of the Commercial Lease as amended by Addendum No. 2 shall remain in effect.

Fiscal Impact

Approval of this Commercial Lease will commit the City to rent payments of \$2,121.12 per month plus annual increases based on the CPI for the term of the lease. This expense is budgeted for in the FY18-19 operating budget.

Exhibits

Exhibit A – Addendum No. 3 to Commercial Lease
Exhibit B – Addendum Nos. 1 & 2 & Original Agreement