



Legislation Details (With Text)

File #: 19-511 **Version:** 1 **Name:**
Type: Consent Item **Status:** Passed
File created: 8/23/2019 **In control:** City Council/Public Finance and Economic Development Authority/Parking Authority
On agenda: 9/3/2019 **Final action:** 9/3/2019
Title: SUBJECT: Approval of a Three (3) Year Lease Agreement with James G. Moulton, Trustee, and Lynda S. Moulton, Trustee, for a 9,000 Square Foot Facility with Initial Base Rent of \$5,475/NNN Per Month and the Option to Extend for an Additional Three (3) Years

REPORT IN BRIEF

Considers approving a three-year lease agreement with James G. Moulton and Lynda S. Moulton for property to be utilized by the Merced Police Department.

RECOMMENDATION

City Council - Adopt a motion approving the lease agreement between the City of Merced and James G. Moulton, Trustee, and Lynda S. Moulton, Trustee and authorizing the City Manager, the Assistant City Manager, or the Finance Office to make necessary adjustments and execute the document.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2019 Lease Agmt 107 Heron Way V2.pdf

Date	Ver.	Action By	Action	Result
9/3/2019	1	City Council/Public Finance and Economic Development Authority/Parking Authority	approved	Pass

Report Prepared by: Frank Quintero, Director of Economic Development

SUBJECT: Approval of a Three (3) Year Lease Agreement with James G. Moulton, Trustee, and Lynda S. Moulton, Trustee, for a 9,000 Square Foot Facility with Initial Base Rent of \$5,475/NNN Per Month and the Option to Extend for an Additional Three (3) Years

REPORT IN BRIEF

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RECOMMENDATION

City Council - Adopt a motion approving the lease agreement between the City of Merced and James G. Moulton, Trustee, and Lynda S. Moulton, Trustee and authorizing the City Manager, the Assistant City Manager, or the Finance Office to make necessary adjustments and execute the document.

ALTERNATIVES

1. Approve as recommended by staff; or

2. Approve, subject to conditions as specified by the City Council; or
3. Deny the request; or,
4. Refer back to staff for reconsideration of specific items as requested by the Council; or
5. Defer action until a specified date

AUTHORITY

Charter of the City of Merced, Section 200

CITY COUNCIL PRIORITIES

As provided for in the 2019-2020 Adopted Budget

DISCUSSION

The original Lease Agreement approved on June 6, 2016 is expired, and staff has negotiated another three-year lease and option for an additional 3-years with Jim Moulton and Lynda Moulton, Trustees. The subject building and property will continue to be used by the Merced Police Department. The proposed Lease Agreement reflects a starting market lease rate of \$5,475 per month and allows for annual increases based on the State of California Consumer Price Index (CPI). The annual rent adjustment shall not be less than two percent (2%) or greater than five percent (5%) per year, regardless of the actual change in the CPI.

Notable terms of the proposed Lease Agreement are as follows:

Term: Three (3) years with the option to renew for an additional three (3) years.

Rent: Five-thousand (\$5,475) per month plus annual hazard insurance and property taxes.

Utilities: Cost of utilities such as gas, power, telephone, and so on, are the responsibility of the Tenant.

IMPACT ON CITY RESOURCES

The rent and use of the property will be paid for with Asset Forfeiture Funds.

ATTACHMENTS

1. Property Lease Agreement