

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO	CERTIFICATE NUMBER (FOR AUDITOR'S USE ONLY) 3000003701
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TO: CITY COUNCIL	FROM (ORIGINATING DEPARTMENT): Real Estate Assets	DATE: 09/20/2010
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SUBJECT: New Lease Agreement between the City of San Diego, Police Department (Lessee) and Strategic Operations, Inc. (Lessor).

PRIMARY CONTACT (NAME, PHONE, MAIL STA.): Mary Lou Houghton, 619 236 6124	SECONDARY CONTACT (NAME, PHONE, MS): Diane Bartko, 619 236 6191
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COMPLETE FOR ACCOUNTING PURPOSES

FUND	100000					
DEPT.						
ORGANIZATION	9912001112					
OBJECT ACCOUNT	512217					
JOB ORDER						
C.I.P./CAPITAL PROJECT No.						
AMOUNT	\$14,239.00	0.00	0.00	0.00	0.00	0.00

FUND						
DEPT.						
ORGANIZATION						
OBJECT ACCOUNT						
JOB ORDER						
C.I.P./CAPITAL PROJECT No.						
AMOUNT	0.00	0.00	0.00	0.00	0.00	0.00

COST SUMMARY (IF APPLICABLE): Year 1 total - \$14,239
Year 2 total - \$14,595
Year 3 total - \$14,960
Year 4 total - \$15,334
Year 5 total - \$15,717

ROUTING AND APPROVALS

CONTRIBUTORS/REVIEWERS:	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
Liaison Office	ORIG DEPT.	Barwick, James	9/22/2010
Environmental Analysis	CFO		
Financial Management	DEPUTY CHIEF		
Equal Opportunity Contracting	COO		
Comptroller	CITY ATTORNEY	Ladewig, Brock	10/22/2010
	COUNCIL PRESIDENTS OFFICE		

PREPARATION OF:	<input type="checkbox"/> RESOLUTIONS	<input checked="" type="checkbox"/> ORDINANCE(S)	<input type="checkbox"/> AGREEMENT(S)	<input type="checkbox"/> DEED(S)
<p>1. Authorize the Mayor or designee to execute a five (5) year lease agreement with two five (5) year options, between the City of San Diego, as Lessee, and Strategic Operations, Inc., as Lessor, for 2,160 square feet of trailer office space with parking for the San Diego Police Department SWAT team at 4705 Ruffin Road in Kearny Mesa.</p> <p>2. Authorize the Chief Financial Officer to expend \$14,239 for the first year annual rent with a 2.5% increase annually at the beginning of each Lease Year.</p>				
STAFF RECOMMENDATIONS: Adopt the Ordinance.				
SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)				
COUNCIL DISTRICT(S):	6			
COMMUNITY AREA(S):	Kearny Mesa			
ENVIRONMENTAL IMPACT:	This activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(2).			
CITY CLERK INSTRUCTIONS:	DO NOT RECORD. Return documents to Real Estate Assets Department, Attention: Mary Lou Houghton, M.S. 51A, for further handling. This Item is subject to Charter Section 99 requirements (10 day public noticing and 6 votes required)			

**COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO**

DATE: 09/20/2010

ORIGINATING DEPARTMENT: Real Estate Assets

SUBJECT: New Lease Agreement between the City of San Diego, Police Department (Lessee) and Strategic Operations, Inc. (Lessor).

COUNCIL DISTRICT(S): 6

CONTACT/PHONE NUMBER: Mary Lou Houghton/619 236 6124

DESCRIPTIVE SUMMARY OF ITEM:

Authorize the Mayor or designee to execute a new five (5) year lease agreement with two (2) five year options to extend the lease. City can terminate the lease at any time with a 90 day notice to the Landlord. This office trailer houses the San Diego Police Department's SWAT administration and training team on Strategic Operations, Inc. facility. The site includes parking.

The rental rate is \$1,186.57 per month for Year 1 with a 2.5% annual increase for 2,160 rentable square feet and includes utilities.

STAFF RECOMMENDATION:

Adopt the Ordinance.

EXECUTIVE SUMMARY OF ITEM BACKGROUND: The Police SWAT team has occupied this office trailer since February 2004, when their former location at Home Avenue and Federal Boulevard ceased operation. Monthly rent for Year 1 is \$1,186.57 with annual 2.5% rent increases. The lease includes parking, all utilities and use of on-site training facilities. The City can terminate the lease at anytime with 90 days notice to Landlord. It is recommended that the lease be approved.

FISCAL CONSIDERATIONS: Year 1 - \$14,239; Year 2 - \$14,595; Year 3 - \$14,960 Year 4 - \$15,334 Year 5 - \$15,717

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):

This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee): N/A

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: This project has minimal or no impact to the community. There is a positive effect on the community to have a police presence locally.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: N/A

Barwick, James

Originating Department

Deputy Chief/Chief Operating Officer

Strategic Operations, Inc. /City of San Diego Lease Agreement

THIS LEASE AGREEMENT ("Lease") dated, for reference purposes only October 5, 2010, is executed between Strategic Operations, Inc., a California corporation LLC, ("Lessor") and the City of San Diego, a California municipal corporation ("City"), whereby the parties agree as follows:

RECITALS

- A. Lessor is the owner of the real property located at 4705 Ruffin Road, San Diego, California 92123-1611, upon which 2,160 square feet of trailer office space ("Premises") is being leased to the City. The real property is more specifically described in Exhibit A attached to this Lease and incorporated in this Lease by this reference.
- B. City wishes to Lease the Premises for temporary operation of the Police S.W.A.T Administration in connection with the City Police Department.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, receipt of which is acknowledged, the parties agree to this Lease on the following term and conditions:

1. Premises. Lessor leases to City that real property located at 4705 Ruffin Road, San Diego, California 92123-1611, consisting of approximately 2,160 square feet of trailer office space ("Premises") and onsite parking.
2. Term. The term of the Lease shall be five (5) years ("Term"). The Term shall be effective following execution ("Commencement Date") of this lease. If the Commencement Date is not the first day of the calendar month, then the Term shall include the partial calendar month from, and including the Commencement Date through the last day of the full Term, so that the Term shall expire of the last day of the calendar month.
3. Rent. City shall pay One Thousand One Hundred Eighty Six Dollars and Fifty Seven Cents (\$1,186.57) per month for Premises, water, gas, and electric utilities servicing the Premises. In addition, the Lessor's cost for the phone usage at the Premises will be paid by the City. The Rent and previous month phone payment is due on or before the first day of each calendar month. Rent for any partial month rent shall be prorated. Checks shall be made payable to Strategic Operations, Inc. and mailed to:

Strategic Operations, Inc.
Attention: Stu Segall
4705 Ruffin Road
San Diego, CA 92123-1611

4. Annual Rent Adjustments. At the beginning of the second Lease Year and at the beginning of each Lease Year thereafter during the Lease Term (“Adjustment Date”), the monthly rent shall be adjusted as follows:

Lease Year - Two	\$1,216.23
Lease Year - Three	\$1,246.63
Lease Year - Four	\$1,277.80
Lease Year - Five	\$1,309.75

The above rent schedule reflects an annual rent escalation equal to 2.5% over the prior year monthly rental rate.

5. Option to Renew. City shall have two (2) five (5) year options to renew this Lease at the rental rate equivalent to a 2.5% increase annually at the beginning of the first Lease Option, year six, and at the beginning of each Year thereafter during the Lease Term. City shall provide Lessor with ninety (90) days prior written notice of City’s intent to exercise its option to renew during all option periods. This option is not assignable or transferrable and shall be in effect provided that the City is not in the default of any terms or conditions of the lease agreement during the term of this Lease and any other extensions thereof.
6. Early Termination. Provided there is no continuing and uncured default by City under this Lease, Lessor and/or City shall have the continuing right to cancel this Lease upon ninety (90) days prior written notice to Lessor upon City’s funding source, the Police S.W.A.T Administration, being denied its annual funding to pay the rent and phone cost, or for any other reason.
7. Use. City shall use the Premises for Police S.W.A.T Administration.
8. Tenant Improvements. City agrees to take the trailer office space in an “as is” condition and acknowledges that Lessor will make no tenant improvements to any portion of the Premises during the term of this Lease.
9. Maintenance.
- i. City at its cost, shall maintain in good condition, the interior of the Premises and all of the City’s personal property and signs. Lessor shall maintain a HVAC maintenance contract for the purpose of providing maintenance services to the HVAC equipment only. Lessor shall pay for industry standard maintenance services of the HVAC equipment in accordance with a HVAC maintenance contract entered into between the Lessor and a HVAC vendor.

ii. Except for damage caused by a negligent or intentional act or omission of City, its agents, employees, or invitees, Lessor, at Lessor's sole expense, shall maintain, in good condition, the following: 1) The structural parts of the trailer and other improvements which structural parts include only the foundation, bearing and exterior walls, sub flooring and roof; 2) the unexposed electrical, plumbing, and sewage systems, including, without limitation, those parts of the systems lying outside the premises; and 3) window frames, gutters, and down spouts on the trailer and other improvements that are on the part of the Premises. Lessor shall repair the Premises if they are damaged by (a) causes outside the Premises over which the City has no control, (b) acts or omissions of lessor, or its authorized representatives; or (c) Lessor's failure to perform its obligations under this paragraph. Should the HVAC equipment fail or be in need of repair, Lessor shall replace the HVAC equipment or repair it at Lessor's cost. Lessor shall make repairs as required under this clause within a reasonable time after receipt of written notice of the need for such repairs. City agrees by taking possession of the Premises that such Premises are then in a leasable and acceptable condition. However, should any portion of the improvements fail or are in need of repair, Lessor shall replace or repair such item at Lessor's cost.

iii. If Lessor fails to provide repairs and/or maintenance services to the Premises as set forth in this Lease, City may notify Lessor in writing and if Lessor does not provide satisfactory service and remedy the unsatisfactory condition within seven (7) working days after such notice to Lessor has been mailed or delivered by City, City may provide the repairs and/or maintenance services necessary to remedy the unsatisfactory condition and assure satisfactory service, or have others do so, and abate an amount equal to the cost thereof from the rent thereafter payable and require reimbursement from Lessor for any loss greater than the remaining rent due. Emergency repairs, pertaining to any health and safety issues like water, sewer and/or HVAC are the exception and will be handled within twenty-four (24) hours by Lessor. Conditions caused solely by City and not subject to the control of the Lessor are excluded from this provision.

10. Alterations. City may install any and all fixtures or improvements necessary or desirable for City's use of the Premises but shall make no permanent structural or exterior alterations in, or as additions to, the Premises without the written consent of Lessor, which consent shall not be unreasonably withheld. Improvements installed by City shall remain the property of City and at the option of City may be removed at or before termination of this Lease or extension of this Lease or may be abandoned to Lessor. Any damage to the Premises occasioned by such removal shall be repaired by City upon request by Lessor within fifteen (15) business days of the termination of this Lease or any extension of this Lease. Upon expiration or early termination of this Lease, except in the event of destruction of the Premises, City shall deliver possession of the Premises to

Lessor in the same condition as at the beginning of this Lease, or as altered, ordinary wear and tear and damage by the elements accepted.

11. Insurance. Lessor acknowledges that City is self insured. Upon request of the Lessor, the City's Risk Management Department will provide Lessor with proof of insurance coverage which it shall keep in force at all times during the term of the Lease or any extensions thereof.
12. Mutual Indemnification. Except for Lessor's gross negligence or willful misconduct, lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss or rents and/or damages, liens, judgments, penalties, reasonable attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by City. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, City shall upon notice defend the same at City's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with City in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified. In addition, Lessor shall indemnify, protect, defend, and hold City, its elected officials, officers, representatives, agents and employees, harmless from and against any and all claims asserted or liability established which arise out of the development, occupancy, or use of the premises and all cost and expenses of Investigating and defending against same, including without limitation attorney fees and costs; provided, however, that Lessor's duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of City and its elected officials, officers, employees, representative, and agents.
13. Default. The occurrence of any of the following shall constitute a default by City;
 - i. Failure to pay rent when due, if failure continues for three (3) days after notice has been given to City.
 - ii. Abandonment and vacation of the Premises (failure to occupy and operate the Premises for thirty (30) consecutive days shall be deemed an abandonment and vacation.)
 - iii. Failure to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after notice has been given to City. If the default cannot reasonably be cured within 30 days. City shall not be in default of this Lease if City commences to cure the default within the thirty (30)-day period and diligently and in good faith continues to cure the default.
14. Lessor's Entry on Premises. Lessor and its authorized representatives shall have the right to enter the Premises at all reasonable times after giving 48-hour notice to the City, with City escort required at all times, for any of the following reasons:

- i. To determine whether the Premises are in good condition and whether City is complying with its obligations under this Lease;
- ii. To do any necessary maintenance and to make any restoration to the Premises that Lessor has the right or obligation to perform;
- iii. To serve, post, or keep posted any notices required or allowed under the provisions of this Lease.
- iv. To show the Premises to prospective brokers, agents, buyers, lessees or persons interested in an exchange, sale or rental, during the Term.

15. Notice. Any notice, demand, request, consent, approval, or communication a party desires or is required to give to the other party or any other personal shall be in writing and either served personally or sent by prepaid, first-class mail. Either party may change its address at any time upon thirty (30) days prior written notice to the other party of the change of address. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing if mailed as provided in this paragraph.

Notices shall be sent as follows:

Lessor: Strategic Operations, Inc.
4705 Ruffin Road
San Diego, CA 92123-1611
Attention: Stu Segall

City: City of San Diego
Real Estate Assets Department
1200 Third Avenue, Ste. 1700
San Diego, CA 92101

And

City of San Diego
Facilities Management & Development Unit
1401 Broadway MS 770
San Diego, CA 92101

For Occupying Department:
City of San Diego
S.W.A.T. Administration
4705 Ruffin Road
San Diego, CA 92123-1611

No act or conduct of Lessor, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by City before the expiration of the Term. Only a notice from Lessor to City shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

16. Surrender of Premises. On the expiration of this Lease or ten (10) days after the termination of the Term, or month-to-month tenancy, City shall surrender to Lessor the Premises and all City's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by City and destruction to the Premises covered above), except for alterations that City has the right to remove or is obligated to remove. City shall remove all its personal property within the above-stated time. City shall perform all restoration made necessary by the removal of any alterations or City's personal property within the time periods stated in this paragraph.

Lessor may elect to retain or dispose of in any manner any alterations or personal property that City does not remove from the Premises on expiration or termination of the term as required by this Lease, by giving at least 30 days notice to City. Title to any such alterations or personal property that Lessor elects to retain or dispose of on expiration of the 30-day period shall vest to Lessor. City waives all claims against Lessor for any damage to such personal property. City shall be liable to Lessor for Lessor's costs for removing and disposing of any such alterations or personal property.

17. Holdover. If City, with Lessor's consent, remains in possession of the Premises after expiration or termination of the Term, or after the date in any notice given by Lessor to City terminating this Lease, such possession by City shall be deemed to be a month-to-month tenancy terminable on thirty (30) days notice given at any time by either party. All provisions of this Lease, except those pertaining to Term and options to extend, shall apply to the month-to-month tenancy.
18. Entire Agreement. This Lease contains all of the agreements of the parties with respect to the terms and conditions of this Lease and replaces and supersedes any and all prior written or modified written agreements signed by both parties.

Remainder of page left blank intentionally

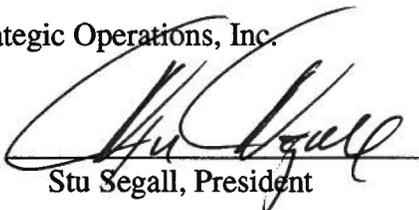
IN WITNESS WHEREOF, this Lease Agreement is executed by City, acting by and through its City Mayor, or his designee, and by Lessor, acting by and through its lawfully authorized officers.

LESSOR:

LESSEE:

Strategic Operations, Inc.

CITY of San Diego, a California Municipal Corporation

By: 
Stu Segall, President

By: _____
James F. Barwick, CCIM
Director, Real Estate Assets

Date: Oct 06 2010

Date: _____

By: _____
William Lansdowne, Chief
San Diego Police Department

Date: _____

APPROVED AS TO FORM AND LEGALITY,
This _____ day of _____, 2010

JAN I. GOLDSMITH, City Attorney

By: _____
Deputy City Attorney



City of San Diego

EQUAL OPPORTUNITY CONTRACTING (EOC)

1200 Third Avenue • Suite 200 • San Diego, CA 92101

Phone: (619) 236-6000 • Fax: (619) 235-5209

WORK FORCE REPORT

The objective of the *Equal Employment Opportunity Outreach Program*, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to unlawful discrimination in the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractors are required to provide a completed *Work Force Report (WFR)*.

NO OTHER FORMS WILL BE ACCEPTED

CONTRACTOR IDENTIFICATION

Type of Contractor: Construction Vendor/Supplier Financial Institution Lessee/Lessor
 Consultant Grant Recipient Insurance Company Other

Name of Company: Strategic Operations

ADA/DBA: _____

Address (Corporate Headquarters, where applicable): 4705 Ruffin Road

City: San Diego County: San Diego State: CA Zip: 92123

Telephone Number: (858) 974-8988 Fax Number: (858) 974-8978

Name of Company CEO: Stu Segall

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: _____

City: _____ County: _____ State: _____ Zip: _____

Telephone Number: () _____ Fax Number: () _____

Type of Business: _____ Type of License: _____

The Company has appointed: Brandy Herrin

As its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: 4705 Ruffin Rd San Diego, CA 92123

Telephone Number: (858) 715-5214 Fax Number: (858) 974-8978

- One San Diego County (or Most Local County) Work Force - Mandatory
- Branch Work Force *
- Managing Office Work Force

Check the box above that applies to this WFR.

*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.

I, the undersigned representative of Strategic Operations
(Firm Name)

San Diego, CA hereby certify that information provided
(County) (State)

herein is true and correct. This document was executed on this 29 day of September, 2010

Brandy L. Herrin
(Authorized Signature)

Brandy L. Herrin
(Print Authorized Signature Name)

WORK FORCE REPORT – Page 2

NAME OF FIRM: Strategic Operations DATE: 09/29/2010

OFFICE(S) or BRANCH(ES): _____ COUNTY: San Diego

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
- (3) Asian, Pacific Islander
- (4) American Indian, Eskimo
- (5) Filipino
- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

ADMINISTRATION OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial														
Professional			4	1			1				47	11		
A&E, Science, Computer														
Technical														
Sales														
Administrative Support		1	1	5	1						1	7		
Services	2	1									3	4		
Crafts			6	2							28	2		
Operative Workers	1		6								25	1	14	
Transportation														2
Laborers*			1								1			

*Construction laborers and other field employees are not to be included on this page

Totals Each Column	3	2	18	8	1		1				105	25	16	
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Grand Total All Employees 179

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
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Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														

WORK FORCE REPORT – Page 3

NAME OF FIRM: Strategic Operations DATE: 09/29/2010

OFFICE(S) or BRANCH(ES): _____ COUNTY: San Diego

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
- (3) Asian, Pacific Islander
- (4) American Indian, Eskimo
- (5) Filipino
- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

TRADE OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Brick, Block or Stone Masons														
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers			3								9			
Drywall Installers, Ceiling Tile Inst														
Electricians														
Elevator Installers														
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade	7		1	1							6		1	
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance	1		3								3			
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers			1								3	1		
Workers, Extractive Crafts, Miners														

Totals Each Column	8		8	1							21	1	1	
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Grand Total All Employees

40

Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
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ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING A FIVE-YEAR LEASE AGREEMENT WITH TWO FIVE-YEAR OPTIONS TO EXTEND THE TERM BETWEEN THE CITY, AS LESSEE, AND STRATEGIC OPERATIONS, INC., AS LESSOR, FOR ADMINISTRATIVE OFFICES FOR THE POLICE DEPARTMENT'S SWAT UNIT.

WHEREAS, pursuant to San Diego Charter section 99, this ordinance requires a two-thirds' majority vote of the members elected to the Council to pass; and

WHEREAS, the Police Department's Special Weapons and Tactics ("SWAT") Administration Unit was relocated to an office trailer owned by Strategic Operations, Inc., a California corporation ("Strategic"), at 4705 Ruffin Road in February 2004 when their former location ceased operation; and

WHEREAS, the Police Department continues to need the office trailer until a permanent facility is available; and

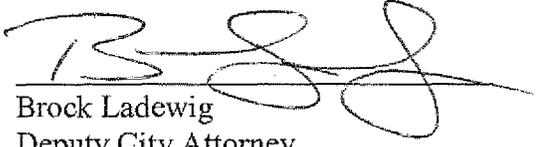
WHEREAS, City staff and Strategic have negotiated a five (5)-year lease for approximately 2,160 rentable square feet of office trailer space and onsite parking at a rental rate of approximately fifty-five cents (\$.55) per rentable square foot, including maintenance and utilities, with annual increases of 2.5% per year, and two (2) five (5)-year options to extend the term; NOW, THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, that the Mayor or his designee is authorized to execute and deliver a lease agreement between the City, as lessee, and Strategic Operations, Inc., a California corporation, as lessor, for the Police Department's SWAT Administration Unit to occupy one office trailer located at 4705 Ruffin Road, under the terms

and conditions set forth in the "Strategic Operations, Inc./City of San Diego Lease Agreement," on file in the Office of the City Clerk as Document No. OO-_____ ("Lease").

BE IT FURTHER ORDAINED, that the Comptroller is authorized to expend up to the following amounts from General Fund 100000 for the purpose of paying rent under the Lease: \$1,186.57 per month for Lease year one, \$1,216.23 per month for Lease year two, \$1,246.63 per month for Lease year three, \$1,277.80 per month for Lease year four, and \$1,309.75 per month for Lease year five, with annual increases of 2.5% each Lease year thereafter if the City elects to extend the lease term, as provided in the Lease.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Brock Ladewig
Deputy City Attorney

BL:mm:nja
October 4, 2010
Or.Dept:READ
O-2011-38
PL#2010-02787

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

**The City of San Diego
COMPTROLLER'S CERTIFICATE**

CERTIFICATE OF UNALLOTTED BALANCE

ORIGINATING CC 3000003701
DEPT. NO.: 9912001112

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: _____ Fund: _____

Purpose: _____

Date: _____ By: _____

COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Fund	Funded Program	Internal Order	Functional Area	G/L Account	Business Area	Cost Center	WBS	Original Amount
TOTAL AMOUNT									

FUND OVERRIDE

CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: _____ \$14,239.00

Vendor: Strategic Operations, Inc.

Purpose: Authorize the mayor or designee to execute a five year lease agreement with Strategic Operations, Inc with two five-year options to extend the lease. With the first year annual rent of \$14,239 with a 2.5% increase annually at the beginning of each lease year.

Date: October 27, 2010

By: Jessica Olson
COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Fund	Funded Program	Internal Order	Functional Area	G/L Account	Business Area	Cost Center	WBS	Original Amount
	100000				512217		9912001112		\$14,239.00
TOTAL AMOUNT									\$14,239.00

FUND OVERRIDE

CC 3000003701

MAYORAL ACTION SUPPORTING INFORMATION
CITY OF SAN DIEGO

DATE:

EQUAL OPPORTUNITY CONTRACTING PROGRAM EVALUATION

November 2, 2010

SUBJECT: New Lease Agreement between the City of San Diego, Police Department (Lessee) and Strategic Operations, Inc. (Lessor).

GENERAL CONTRACT INFORMATION

Recommended Consultant: Strategic Operations

Amount of this Action: \$ 74,797.00 (Five year lease agreement with option to extend)

Year 1: \$14,230.00

Year 2: \$14,586.00

Year 3: \$14,950.00

Year 4: \$15,324.00

Year 5: \$15,707.00

Funding Source: City

Goals: 20% Voluntary

SUBCONTRACTOR PARTICIPATION

This action is to authorize a lease agreement. There is no subconsultant participation associated with this action.

EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

Equal Opportunity Required

Strategic Operations submitted a Work Force Report for their San Diego County employees dated September 29, 2010 indicating 179 employees in their Administrative Work Force Report and 40 employees in their Trade Work Force Report. The firm's Administrative Work Force Analysis reflects under representations in the following categories:

Blacks in Mgmt & Financial, Operative Workers and Transportation
Hispanics in Professional, Services, Crafts and Operative Workers
Asians in Professional, Crafts and Operative Workers
Filipinos in Professional, Administrative Support, Crafts and Operative Workers
Females in Professional, Services and Transportation

The firm's Trade Work Force Report reflects under representations in the following categories:

Hispanics in Construction Laborers, Helpers, Construction Trade, Welding,
Soldering & Brazing Workers

Strategic Operations EO Plan was approved on December 8, 2010, which describes equal employment policies and practices. Staff will continue to monitor the Firm's equal opportunity employment performance.

This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517)

ADDITIONAL COMMENTS

This action is to authorize the Mayor or designee to execute a new five (5) year lease agreement with two (2) five year options to extend the lease. This office trailer houses the San Diego Police Department's SWAT administration and training team on Strategic Operations Inc. training facility. The site includes ample free parking and SWAT team training facilities.

The rental rate of \$.549 per square foot per month for 2,160 rentable square feet includes all utilities and maintenance. The proposed lease is below market rates for this type of specialized facility.

MM-J


**The City of San Diego
COMPTROLLER'S CERTIFICATE**

CERTIFICATE OF UNALLOTTED BALANCE

ORIGINATING CC 3000003701
DEPT. NO.: 9912001112

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: _____ Fund: _____

Purpose: _____

Date: _____ By: _____

COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Fund	Funded Program	Internal Order	Functional Area	G/L Account	Business Area	Cost Center	WBS	Original Amount
TOTAL AMOUNT									

FUND OVERRIDE

CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: _____ \$14,239.00

Vendor: Strategic Operations, Inc.

Purpose: Authorize the mayor or designee to execute a five year lease agreement with Strategic Operations, Inc with two five-year options to extend the lease. With the first year annual rent of \$14,239 with a 2.5% increase annually at the beginning of each lease year.

Date: October 27, 2010

By: Jessica Olson
COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Fund	Funded Program	Internal Order	Functional Area	G/L Account	Business Area	Cost Center	WBS	Original Amount
	100000				512217		9912001112		\$14,239.00
TOTAL AMOUNT									\$14,239.00

FUND OVERRIDE

CC 3000003701

DUPLICATE

DUPLICATE

STRATEGIC OPERATIONS, INC. / CITY OF SAN DIEGO
LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") dated, for reference purposes only March 1, 2006, is executed between Strategic Operations, Inc., a California corporation LLC, ("Lessor") and the City of San Diego, a California municipal corporation ("City"), whereby the parties agree as follows:

RECITALS

- A. Lessor is the owner of the real property located at 4705 Ruffin Road, San Diego, California 92123-1611, upon which 2,160 square feet of trailer office space ("Premises") is being leased to the City. The real property is more specifically described in Exhibit A attached to this Lease and incorporated in this Lease by this reference.
- B. City wishes to Lease the Premises for temporary operation of the Police S.W.A.T. Administration in connection with the City Police Department.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, receipt of which is acknowledged, the parties agree to this Lease on the following terms and conditions:

1. Premises. Lessor leases to City that real property located at 4705 Ruffin Road, San Diego, California 92123-1611, consisting of approximately 2,160 square feet of trailer office space ("Premises") and onsite parking.
2. Term. The term of the Lease shall be three (3) years ("Term"). The Term of this Lease is effective following execution by the City Manager and approval by City Attorney ("Commencement Date"). If the Commencement Date is not the first day of the calendar month, then the Term shall include the partial calendar month from, and including the Commencement Date through the last day of the full Term, so that the Term shall expire on the last day of the calendar month.
3. Rent. City shall pay One Thousand Fifty Dollars (\$1,050.00) per month for water, gas, and electric utilities servicing the Premises. In addition, the Lessors cost for the phone usage at the Premises will be paid by the City. The utility and phone payment is due on or before the first day of each calender month. Checks shall be made payable to Strategic Operations, Inc. and mailed to:

Strategic Operations, Inc.
Attention: Robert La Salle
4705 Ruffin Road
San Diego, California 92123-1611

DOCUMENT NO. RR 301447
FILED MAY 23 2006
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

4. Annual Rent Adjustments. At the beginning of the second Lease Year and at the beginning of each Lease Year thereafter during the Lease Term ("Adjustment Date"), the rent shall be adjusted as follows:

Lease Year - Two	\$1,102.50
Lease Year - Three	\$1,157.63

The above rent schedule reflects an annual rent escalation equal to 5% over the prior year monthly rental rate.

5. Early Termination. Provided there is no continuing and uncured default by City under this Lease, City shall have the continuing right to cancel this Lease upon thirty (30) days prior written notice to Lessor upon City's funding source, the Police S.W.A.T. Administration, being denied its annual funding to pay the utility and phone cost.
6. Use. City shall use the Premises for Police S.W.A.T. Administration.
7. Tenant Improvements. City agrees to take the trailer office space in an "as is" condition and Lessor will make no tenant improvements to any portion of the Premises.
8. Maintenance.
- i. City at its cost, shall maintain in good condition, the interior Premises and all of City's personal property and signs. City shall maintain any existing HVAC maintenance contract for the purpose of providing maintenance services to the HVAC equipment only. City shall pay for industry standard maintenance services of the HVAC equipment in accordance with a HVAC maintenance contract entered into between the Lessor and a HVAC vendor. Lessor shall bill City for the maintenance services only. Lessor shall provide City with a copy of the HVAC contract provided there is one in place during the agreement term.
 - ii. Except for damage caused by a negligent or intentional act or omission of City, its agents, employees, or invitees, Lessor, at Lessor's sole expense, shall maintain, in good condition, the following: 1) The structural parts of the trailer and other improvements which structural parts include only the foundation, bearing and exterior walls, sub flooring and roof; 2) the unexposed electrical, plumbing, and sewage systems, including, without limitation, those parties of the systems lying outside the premises; and 3) window frames, gutters, and down spouts on the trailer and other improvements that are on part of the Premises. Lessor shall repair the Premises if they are damaged by (a) causes outside the Premises over which the City has no control, (b) acts or omissions of Lessor, or its authorized representatives; or (c) Lessor's failure to perform its obligations under this paragraph. Should the HVAC equipment fail or is in need of repair, Lessor shall replace HVAC equipment or repair at Lessor's cost. Lessor shall make repairs as required under this clause within a reasonable time after receipt of written notice of the need for such repairs. City agrees by taking possession of the Premises that such Premises are then in a leasable

and acceptable condition. However, should any portion of the improvements fail or are in need of repair, Lessor shall replace or repair such item at Lessor's cost.

iii. If Lessor fails to provide repairs and/or maintenance services to the Premises as set forth in this Lease, City may notify Lessor in writing and if Lessor does not provide satisfactory service and remedy the unsatisfactory condition within ten (10) working days after such notice to Lessor has been mailed or delivered by City, City may provide the repairs and/or maintenance services necessary to remedy the unsatisfactory condition and assure satisfactory service, or have others do so, and abate an amount equal to the cost thereof from the rent thereafter payable and require reimbursement from Lessor for any loss greater than the remaining rent due. Emergency repairs are the exception and will be handled within twenty-four (24) hours by Lessor. Conditions caused solely by City and not subject to the control of the Lessor are excluded from this provision.

9. Alterations. City may install any and all fixtures or improvements necessary or desirable for City's use of the Premises but shall make no permanent structural or exterior alterations in, or as additions to, the Premises without the written consent of Lessor, which consent shall not be unreasonably withheld. Improvements installed by City shall remain the property of City and at the option of City may be removed at or before termination of this Lease or extension of this Lease or may be abandoned to Lessor and any damage to the Premises occasioned by such removal shall be repaired by City upon request by Lessor within fifteen (15) business days of the termination of this Lease or any extension of this Lease. Upon expiration or early termination of this Lease, except in the event of destruction of the Premises, City shall deliver possession of the Premises to Lessor in the same condition at the beginning of this Lease, or as altered, ordinary wear and tear and damage by the elements excepted.
10. Insurance. Lessor acknowledges that City is self insured. Upon request of the Lessor, the City's Risk Management Department will provide Lessor with proof of insurance coverage which it shall keep in force at all times during the term of the Lease or any extensions thereof.
11. Indemnity. Lessor shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the Premises or any part of the Premises, which arise out of or are in any manner directly connected to the use or operation of the leasehold. Lessee agrees to hold Lessor harmless from any claims for damages, which arise out of or are in any manner directly connected to the use or operation of the leasehold, excepting any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of the Lessor, its officers, representatives, agents and employees.
12. Default. The occurrence of any of the following shall constitute a default by City:
- i. Failure to pay rent when due, if the failure continues for three (3) days after notice has been given to City.

- ii. Abandonment and vacation of the Premises (failure to occupy and operate the Premises for ten (10) consecutive days shall be deemed an abandonment and vacation.)
 - iii. Failure to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after notice has been given to City. If the default cannot reasonably be cured within 30 days, City shall not be in default of this Lease if City commences to cure the default within the thirty (30)-day period and diligently and in good faith continues to cure the default.
13. Signs. Subject to Lessor's written consent, City at its cost shall have the right to place, construct, and maintain a sign on the Premises (excluding the building that is a part of the Premises). City shall have the right to place, construct, and maintain any signs it deems advisable on the interior of the building that is a part of the Premises. Upon request of Lessor, City shall remove all signage and advertising upon terminating and vacating the Premises.

Any sign that City has the right to place, construct, and maintain shall comply with all laws, and City shall obtain any approval required by such laws. Lessor makes no representation with respect to City's ability to obtain such approval.

14. Lessor's Entry on Premises. Lessor and its authorized representatives shall have the right to enter the Premises at all reasonable times after giving 48-hours notice to the City for any of the following purposes.
- i. To determine whether the Premises are in good condition and whether City is complying with its obligations under this Lease;
 - ii. To do any necessary maintenance and to make any restoration to the Premises that Lessor has the right or obligation to perform;
 - iii. To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;
 - iv. To post "for sale" signs at any time during the term, to post "for rent" or "for Lease" signs during the last three months of the term or during any period while City is in default;
 - v. To show the Premises to prospective brokers, agents, buyers, lessees or persons interested in an exchange, sale or rental, at any time during the term.
15. Notice. Any notice, demand, request, consent, approval, or communication a party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail. Either party may change its address at any time upon thirty (30) day prior written notice to the other party of the change of address. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing if mailed as provided in this paragraph.

Notices shall be sent as follows:

Lessor: Strategic Operations, Inc.
4705 Ruffin Road
San Diego, CA 92123-1611
Attention: Stu Segall

City: City of San Diego
Real Estate Assets Department
1200 Third Avenue, Suite 1700
San Diego, CA 92101

Occupying Department:

City of San Diego
S.W.A.T. Administration
4705 Ruffin Road
San Diego, CA 92123-1611

No act or conduct of Lessor, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by City before the expiration of the term. Only a notice from Lessor to City shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

16. Surrender of Premises: On the expiration of this Lease or ten (10) days after the termination of the term, or month-to-month tenancy, City shall surrender to Lessor the Premises and all City's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by City and destruction to the Premises covered above), except for alterations that City has the right to remove or is obligated to remove. City shall remove all its personal property within the above-stated time. City shall perform all restoration made necessary by the removal of any alterations or City's personal property within the time periods stated in this paragraph.

Lessor may elect to retain or dispose of in any manner any alterations or City's personal property that City does not remove from the Premises on expiration or termination of the term as allowed or required by this Lease by giving at least 10 days notice to City. Title to any such alterations or City's personal property that Lessor elects to retain or dispose of on expiration of the 10-day period shall vest to Lessor. City waives all claims against Lessor for any damage to City resulting from Lessor's retention or disposition of any such alterations or City's personal property. City shall be liable to Lessor for Lessor's costs for removing, and disposing of any alterations or City's personal property.

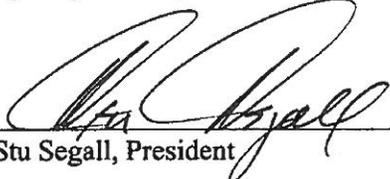
17. Holdover. If City, with Lessor's consent, remains in possession of the Premises after expiration or termination of the term, or after the date in any notice given by Lessor to

City terminating this Lease, such possession by City shall be deemed to be a month-to-month tenancy terminable on thirty (30) days notice given at any time by either party. All provisions of this Lease, except those pertaining to term and option to extend, shall apply to the month-to-month tenancy.

18. Entire Agreement. This Lease contains all of the agreements of the parties with respect to the terms and conditions of this Lease and replaces and supersedes all prior written or modified except by written agreement signed by both parties.

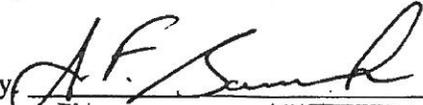
IN WITNESS WHEREOF, this Lease Agreement is executed by City, City, acting by and through its City Manager, and by Lessor, acting by and through its lawfully authorized officers.

LESSOR:
Strategic Operations, Inc.

By: 
Stu Segall, President

Date: 1-12-06

CITY:
City of San Diego, a California municipal corporation

By: 
James F. Barwick, Director
Real Estate Assets Department

Date: 6/27/06

By: 
Bill Maheu, Executive Assistant Chief,
San Diego Police Department

Date: 7/17/06

APPROVED AS TO FORM AND LEGALITY, this 30th day of JUNE, 2006.

MICHAEL J. AGUIRRE, City Attorney

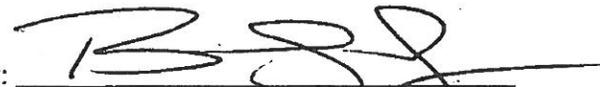
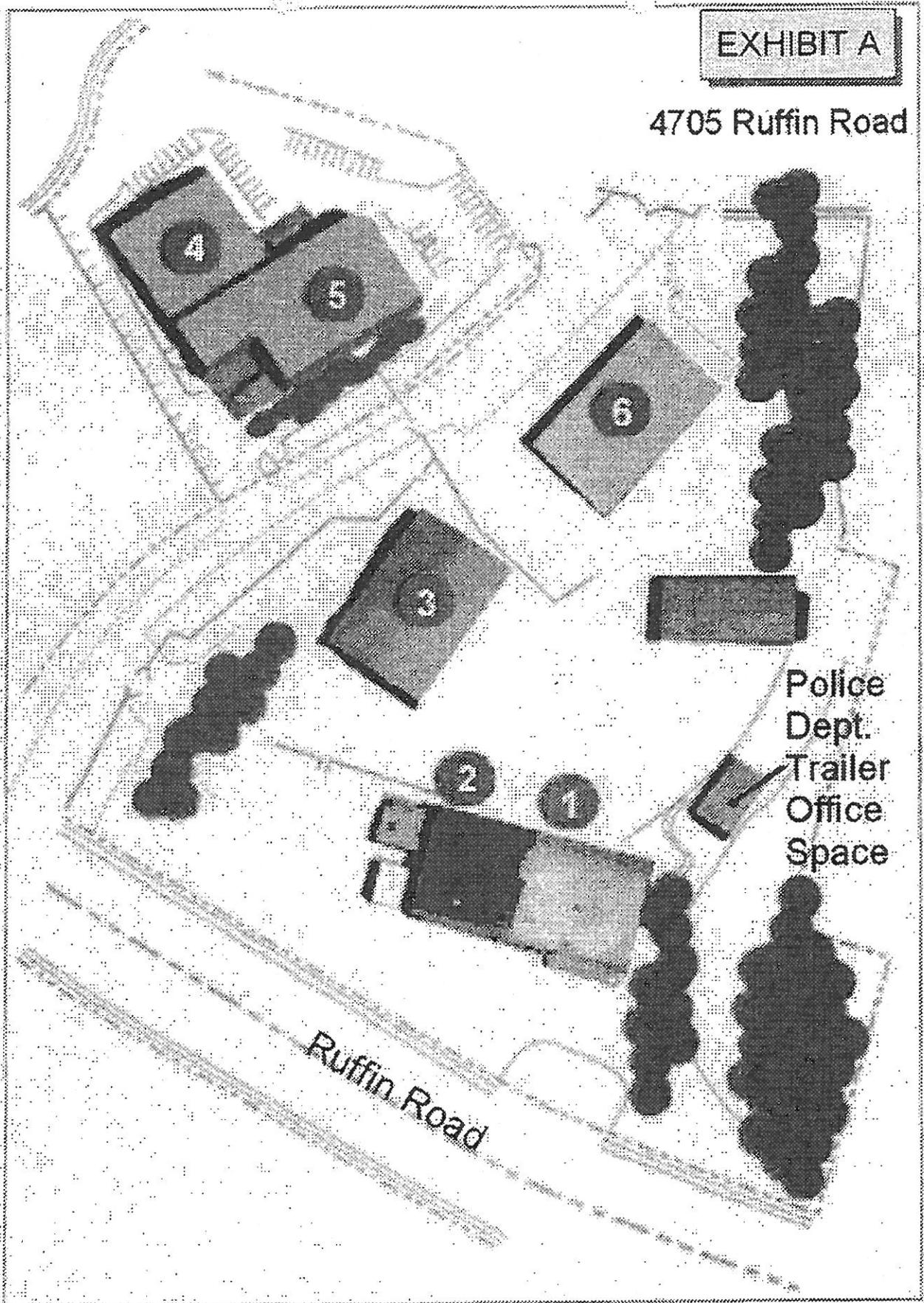
By: 
Brock Ladewig, Deputy City Attorney

EXHIBIT A

4705 Ruffin Road



Police
Dept.
Trailer
Office
Space

Ruffin Road

103

(R-2006-924)

301447

5/23/06

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE MAY 31 2006

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR TO EXECUTE A 3-YEAR LEASE AGREEMENT WITH STRATEGIC OPERATIONS, INC., TO RENT ONE BUILDING FOR OFFICE SPACE FOR THE POLICE DEPARTMENT

WHEREAS, the Police Department's Special Weapons and Tactics ("SWAT") Administration Unit was relocated to a site at 4705 Ruffin Road in February 2004 when their former location ceased operation; and

WHEREAS, the Police Department continues to need the site until a new facility is constructed; and

WHEREAS, City staff and Strategic Operations, Inc. have negotiated a 3-year extension of the lease; NOW, THEREFORE,

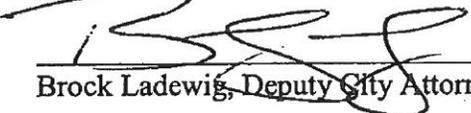
BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. That the Mayor is authorized to execute, for and on behalf of the City of San Diego, a three-year lease agreement [Lease Agreement] with Strategic Operations, Inc., a California corporation, for the Police Department SWAT Administration to occupy one building located at 4705 Ruffin Road, under the terms and conditions set forth in the Lease Agreement, on file in the office of the City Clerk as Document No. RR- 301447.

2. That the expenditure of an amount not to exceed \$12,600 in year one; \$13,230 in year two; and \$13,891.56 in year three from General Fund 100 is authorized for the purpose of providing funds for payment of the lease.

APPROVED:

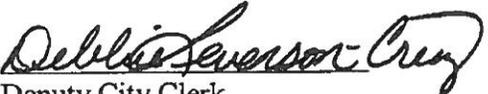
MICHAEL J. AGUIRRE, City Attorney

BY: 
Brock Ladewig, Deputy City Attorney

BL:pev
04/28/06
AUD.CERT:2600760
Or.Dept:READ
R-2006-924
MMS #3257

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 23 2006.

ELIZABETH S. MALAND,
City Clerk

BY: 
Deputy City Clerk

Approved: 5-31-06
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

Passed by the Council of The City of San Diego on May 23, 2006, by the following vote:

YEAS: **PETERS, FAULCONER, ATKINS, YOUNG, MAIENSCHIN,
FRYE, MADAFFER, HUESO.**

NAYS: **NONE.**

NOT PRESENT: **NONE.**

VACANT: **NONE.**

AUTHENTICATED BY:

JERRY SANDERS

Mayor of The City of San Diego, California

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(Seal)

By: Debbie Levenson-Cruz, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of
RESOLUTION NO. R-301477 approved by the Mayor of the City of San Diego, California on
May 31, 2006.

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(SEAL)

By: Debbie Levenson-Cruz Deputy

DUPLICATE

STRATEGIC OPERATIONS, INC.
LEASE AGREEMENT

THIS LEASE AGREEMENT dated, for reference purposes only, December 10, 2003, is executed between Strategic Operations, Inc., a California corporation LLC, ("Lessor") and the City of San Diego, a California municipal corporation ("Lessee"), whereby the parties agree as follows:

RECITALS

- A. Lessor is the owner of the real property located at 4705 Ruffin Road, San Diego, California 92123-1611, upon which 2,160 square feet of trailer office space ("Premises") is being leased to the Lessee. The real property is more specifically described in Exhibit A attached hereto and incorporated herein by this reference.
- B. Lessee wishes to Lease the Premises for temporary operation of the Police S.W.A.T. Administration in connection with the City Police Department.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree to this Lease on the following terms and conditions:

1. Premises. Lessor hereby Leases to Lessee that real property located at 4705 Ruffin Road, San Diego, California 92123-1611, approximately 2,160 square feet of trailer office space ("Premises") and onsite parking.
2. Initial Term. The term of the Lease is for nine (9) months commencing on January 1, 2004. The Lease will terminate September 30, 2004.
3. Rent. None. Lessee agrees to and shall pay the amount of Six Hundred Dollars (\$600) per month for the water, gas and electric utilities servicing the Premises. In addition the Lessors cost for the phone usage at the Premises will be paid by the Lessee. The utility and phone payment is due on or before the first day of each calender month. Checks shall be made payable to Strategic Operations, Inc. and mailed to: 4705 Ruffin Road San Diego, California 92123-1611, Attention: Bob Kent.
4. Security Deposit. Omitted.
5. Right to Cancel the Lease. Provided there is no continuing and uncured default by Lessee under this Lease, Lessee shall have the continuing right to cancel this Lease upon thirty (30) days prior written notice to Lessor upon Lessee's funding source, the Police S.W.A.T. Administration, being denied its annual funding to pay the utility and phone cost.

DOCUMENT NO. C-12552

FILED FEB 13 2004

OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

6. Use of Premises. Lessee shall use the Premises for Police S.W.A.T. Administration.
7. Tenant Improvements. Lessee agrees to take the trailer office space in an "as is" condition and Lessor will make no tenant improvements to any portion of the Premises.
8. Maintenance.
 1. Lessee at its cost, shall maintain in good condition, the interior Premises and all of Lessee's personal property and signs. Lessee shall maintain any existing HVAC maintenance contract for the purpose of providing maintenance services to the HVAC equipment only. Lessee shall pay for industry standard maintenance services of the HVAC equipment in accordance with a HVAC maintenance contract entered into between the Lessor and a HVAC vendor. Lessor shall bill Lessee for the maintenance services only. Lessor shall provide Lessee with a copy of said HVAC contract provided there is one in place during the agreement term.
 2. Except for damage caused by a negligent or intentional act or omission of Lessee, its agents, employees, or invitees, Lessor, at Lessor's sole expense, shall maintain, in good condition, the following: 1) The structural parts of the trailer and other improvements which structural parts include only the foundation, bearing and exterior walls, sub flooring and roof; 2) the unexposed electrical, plumbing, and sewage systems, including, without limitation, those parties of the systems lying outside the premises; and 3) window frames, gutters, and downspouts on the trailer and other improvements that are on part of the Premises. Lessor shall repair the Premises if they are damaged by (a) causes outside the Premises over which the Lessee has no control, (b) acts or omissions of Lessor, or its authorized representatives; or (c) Lessor's failure to perform its obligations under this paragraph. Should the HVAC equipment fail or is in need of repair, Lessor shall replace HVAC equipment or repair at Lessor's cost. Lessor shall make repairs as required under this clause within a reasonable time after receipt of written notice of the need for such repairs. Lessee agrees by taking possession of the Premises that such Premises are then in a leasable and acceptable condition. However, should any portion of the improvements fail or are in need of repair, Lessor shall replace or repair such item at Lessor's cost.
 3. If Lessor fails to provide repairs and/or maintenance services to the Premises as hereinafter set forth, Lessee may notify Lessor in writing and if Lessor does not provide satisfactory service and remedy the unsatisfactory condition within ten (10) working days after such notice to Lessor has been mailed or delivered by Lessee, Lessee may provide the repairs and/or maintenance services necessary to remedy the unsatisfactory condition and assure satisfactory service, or have others do so, and abate an amount equal to the cost thereof from the rent thereafter payable. Emergency repairs are the exception and will be handled within 24 hours by Lessor. Conditions caused solely by Lessee and not subject to the control of the Lessor are excluded from this provision.

9. Alterations. Lessee may install any and all fixtures or improvements necessary or desirable for Lessee's use of the Premises hereof but shall make no permanent structural or exterior alterations in, or as additions to, said Premises without the written consent of Lessor, which consent shall not be unreasonably withheld. Such improvements installed by Lessee shall remain the property of Lessee and at the option of Lessee may be removed at or before termination of this Lease or extension thereof or may be abandoned to Lessor and any damage to the Premises occasioned by such removal shall be repaired by Lessee upon request by Lessor within fifteen (15) business days of the termination of this Lease or any extension thereof. Upon expiration of this Lease or the sooner termination thereof as herein provided, except in the event of destruction of the property, Lessee shall deliver possession of the Premises to Lessor in the same condition it enjoyed at the beginning of this Lease, or as altered, ordinary wear and tear and damage by the elements excepted.
10. Insurance; Indemnity. Lessor is aware that the City, Lessee, is self insured. Upon request of the Lessor, the City's Risk Management Department will provide Lessor with proof of insurance coverage which it shall keep in force at all times during the term of the Lease or any extensions thereof.
11. Default
1. Lessee's Default. The occurrence of any of the following shall constitute a default by Lessee:
1. Failure to pay rent when due, if the failure continues for 3 days after notice has been given to Lessee.
 2. Abandonment and vacation of the Premises (failure to occupy and operate the Premises for 10 consecutive days shall be deemed an abandonment and vacation.)
 3. Failure to perform any other provision of this Lease if the failure to perform is not cured within 30 days after notice has been given to Lessee. If the default cannot reasonably be cured within 30 days, Lessee shall not be in default of this Lease if Lessee commences to cure the default within the 30-day period and diligently and in good faith continues to cure the default.
12. Signs; Advertising. Subject to Lessor's written consent, Lessee at its cost shall have the right to place, construct, and maintain on the Premises (excluding the building that is a part of the Premises) a sign advertising its business on the Premises. Lessee also shall have the right to place, construct, and maintain any signs it deems advisable on the interior of the building that is a part of the Premises. Upon request of Lessor, Lessee shall remove all signage and advertising upon terminating and vacating the Premises.

Any sign that Lessee has the right to place, construct, and maintain shall comply with all laws, and Lessee shall obtain any approval required by such laws. Lessor makes no representation with respect to Lessee's ability to obtain such approval.

13. Lessor's Entry on Premises. Lessor and its authorized representatives shall have the right to enter the Premises at all reasonable times after giving 48-hour notice to the Lessee for any of the following purposes.

1. To determine whether the Premises are in good condition and whether Lessee is complying with its obligations under this Lease;
2. To do any necessary maintenance and to make any restoration to the Premises that Lessor has the right or obligation to perform;
3. To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;
4. To post "for sale" signs at any time during the term, to post "for rent" or "for Lease" signs during the last three months of the term, or during any period while Lessee is in default;
5. To show the Premises to prospective brokers, agents, buyers, Lessees, or persons interested in an exchange, sale or rental, at any time during the term.

14. Notice. Any notice, demand, request, consent, approval, or communication a party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth in the introductory paragraph of this Lease. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this paragraph.

Notices shall be sent as follows:

Lessor: Strategic Operations, Inc.
4705 Ruffin Road
San Diego, CA 92123-1611
Att: Stu Segall

Lessee: City of San Diego
Real Estate Assets Department
1200 Third Avenue, Suite 1700
San Diego, CA 92101

City of San Diego
S.W.A.T. Administration
4705 Ruffin Road
San Diego, CA 92123-1611

No act or conduct of Lessor, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Lessee before the expiration of the term. Only a notice from Lessor to Lessee shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

15. Surrender of Premises. On the expiration or 10 days after the termination of the term, or month-to-month tenancy, Lessee shall surrender to Lessor the Premises and all Lessee's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by Lessee and destruction to the Premises covered above), except for alterations that Lessee has the right to remove or is obligated to remove. Lessee shall remove all its personal property within the above-stated time. Lessee shall perform all restoration made necessary by the removal of any alterations or Lessee's personal property within the time periods stated in this paragraph.

Lessor can elect to retain or dispose of in any manner any alterations or Lessee's personal property that Lessee does not remove from the Premises on expiration or termination of the term as allowed or required by this Lease by giving at least 10 days notice to Lessee. Title to any such alterations or Lessee's personal property that Lessor elects to retain or dispose of on expiration of the 10-day period shall vest to Lessor. Lessee waives all claims against Lessor for any damage to Lessee resulting from Lessor's retention or disposition of any such alterations or Lessee's personal property. Lessee shall be liable to Lessor for Lessor's costs for removing, and disposing of any alterations or Lessee's personal property.

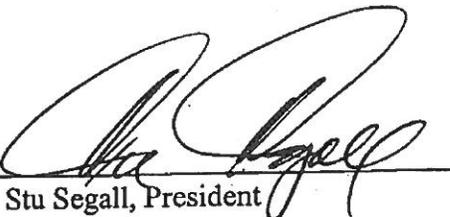
16. Holdover. If Lessee, with Lessor's consent, remains in possession of the Premises after expiration or termination of the term, or after the date in any notice given by Lessor to Lessee terminating this Lease, such possession by Lessee shall be deemed to be a month-to-month tenancy terminable on 30 days notice given at any time by either party. All provisions of this Lease, except those pertaining to term and option to extend, shall apply to the month-to-month tenancy. In no event shall this agreement extend beyond three (3) years without prior City Council approval.

17. Miscellaneous Provisions

Integrated Agreement Modification. This Lease contains all of the agreements of the parties with respect to the terms and conditions of this Lease and replaces and supersedes all prior written or modified except by written agreement signed by both parties.

IN WITNESS WHEREOF, this Lease Agreement is executed by City, Lessee, acting by and through its City Manager, and by Lessor, acting by and through its lawfully authorized officers.

LESSOR:
Strategic Operations, Inc.

By: 
Stu Segall, President

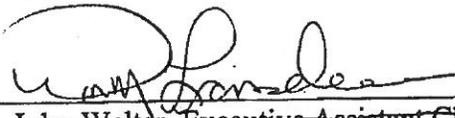
Date: 12/12/03

LESSEE:
City of San Diego, a California municipal corporation

Real Estate Assets Department

By: 
~~Carol A. Chiodo, Deputy Director~~
JACK D. FARRIS

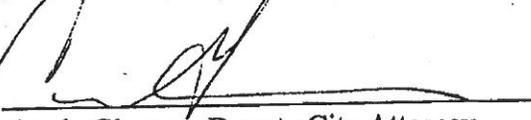
Date: 2/11/04

By: 
~~John Wolter, Executive Assistant Chief~~
WILLIAM LANSDOWNE, CHIEF OF POLICE

Date: 1/13/04

APPROVED AS TO FORM AND LEGALITY, this 12th day of February, 2003.

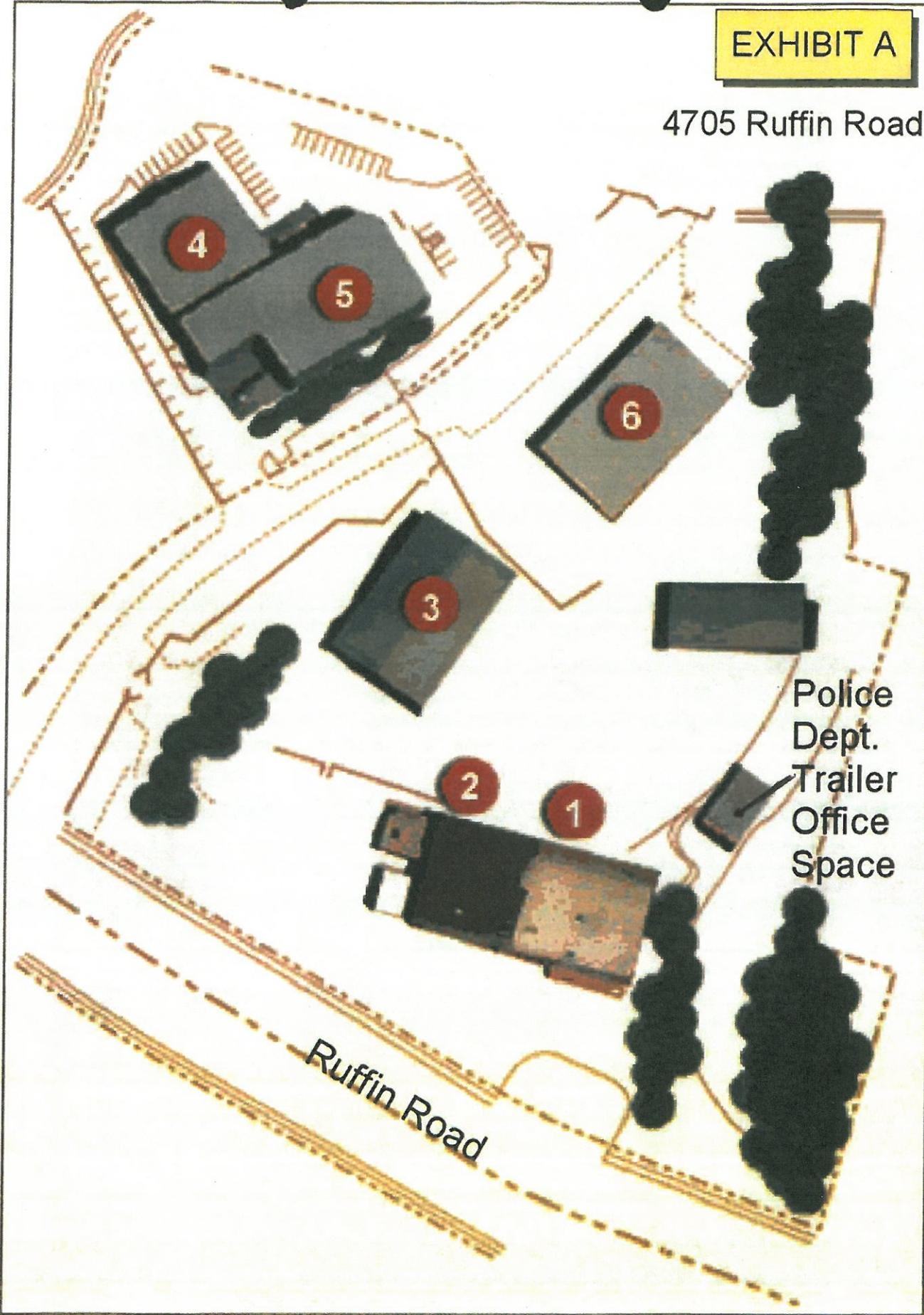
CASEY GWINN, City Attorney

By: 
Carrie Gleeson, Deputy City Attorney

DCM/
12/10/03
C:\Documents and Settings\dmartens\Desktop\S.W.A.T. lease.wpd

EXHIBIT A

4705 Ruffin Road



Police
Dept.
Trailer
Office
Space

Ruffin Road

**CITY OF SAN DIEGO
REQUEST FOR
CITY MANAGER ACTION**

REA-01

TO: CITY MANAGER	FROM: Real Estate Assets Department	DATE: 12/16/2003
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SUBJECT:
Police Department SWAT Administration - 4705 Ruffin Road - Short Term Lease

DOCUMENT NO. C-12552

ACTION REQUESTED:

- Approve a short term lease with Strategic Operations, Inc., a California corporation.
- Authorize the expenditure of \$5,400 from the General Fund 100.

FILED FEB 13 2004
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

SUPPORTING INFORMATION:

ENVIRONMENTAL IMPACT: This activity is exempt from CEQA pursuant to Section 15301 of the State CEQA guidelines.

COMMUNITY AREA: Clairemont Mesa East

COUNCIL DISTRICT: 6 (Frye)

ATTACHMENTS: Lease

The Police Department SWAT Administration Unit is currently located in modular office space on City property at Home Avenue and Federal Blvd. Their current site is the location of the new police vehicle maintenance garage which is moving from 330 Park Blvd. to make way for the new downtown library. This action is a request for a temporary lease for the Police Department at 4705 Ruffin Road while the modular office space is relocated to another area at the Home Avenue and Federal Blvd. site. The City and Strategic Operations, Inc. have negotiated temporary office space for the cost of utilities and no rent for the period of approximately nine months.

Under the terms of the Lease, the City of San Diego (Lessee) will lease approximately 2,160 square feet of office space from Strategic Operations, Inc. (Lessor) located at 4705 Ruffin Road for the temporary operation of the Police SWAT Administration Unit in connection with the City Police Department. The lease term is nine (9) months commencing January 1, 2004 and terminating September 30, 2004. There is no rent or deposit required. The Lessee will pay for utilities of \$600 per month and any long distance phone charges.

FISCAL IMPACT: \$5,400 rent paid for the lease term.

PLEASE ROUTE TO THE APPROPRIATE AUTHORITY - REF: A.R. 25.60 OR 25.70

ACCOUNTING INFORMATION			ROUTING AND APPROVAL		
FUND	BUDGETED	UNBUDGETED	APPROVING AGENCY	APPROVAL SIGNATURE	DATE
		100	DEPARTMENT X		12/19/03
DEPARTMENT		110	DIRECTOR		
ORGANIZATION		4810	POLICE X		1/13/04
OBJECT ACCOUNT		4681	DEPARTMENT		
JOB ORDER NUMBER		004810	FINANCIAL X		1/22/04
C.I.P. NO.			MANAGEMENT		
FACILITY			DEPUTY CITY X		2-3-04
AMOUNT		\$5,400	MANAGER		
ESTIMATED COST:			AUDITOR X		2/4/04
\$5,400					
AUDITOR'S CERTIFICATE NUMBER:			ORIGINATING X		2/4/04
AC2400776			DEPARTMENT		
FOR INFORMATION CONTACT:			CITY ATTORNEY X		2/5/04
NAME:			CITY X		2/13/04
MADISON WIGGINS/Dave Martens			CLERK		
MAIL STATION:	TELEPHONE NUMBER:		JOB No: 223073		
51A	66733/66066				

**The City of San Diego
CERTIFICATE OF CITY AUDITOR AND COMPTROLLER**

CERTIFICATE OF UNALLOTTED BALANCE

AC 2400776

ORIGINATING DEPT. NO.: 070

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: _____ Fund: _____

Purpose: _____

Date: _____ By: _____

AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG. LINE	CY/PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/EQUIP	FACILITY	AMOUNT
TOTAL AMOUNT										

FUND OVERRIDE

CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: \$5,400.00

Vendor: Strategic Operations, Inc.

Purpose: Authorizing the expenditure of funds for the lease of office space for the City of San Diego Police Department SWAT Administration Unit.

Date: February 4, 2004 By: _____

AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG. LINE	CY/PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/EQUIP	FACILITY	AMOUNT
1	0	100	110	4810	4681	004810				\$5,400.00
TOTAL AMOUNT										\$5,400.00

FUND OVERRIDE

AC 2400776

C-12552

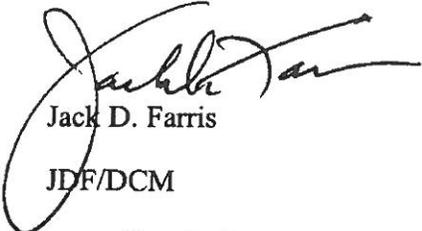
**CITY OF SAN DIEGO
MEMORANDUM**

DATE: February 13, 2004
TO: Honorable Mayor and City Council
FROM: Jack D. Farris, Deputy Director, Real Estate Assets Department
via William T. Griffith, Director, Real Estate Assets Department
SUBJECT: Short-Term Lease for Property in Council District 6

Pursuant to Council Policy 700-10, Section D.5, a lease with a term of three years or less is a short-term lease which may be transacted by the City Manager without Council approval.

An agreement has been executed with Strategic Operations, Inc. (Stu Segall Productions) on the date indicated below for the City of San Diego Police SWAT Administration which is described as follows:

1. Agreement Type: Lease
2. Purpose: General office space for Police SWAT Administration
3. Term: 9 months, not to exceed three years total
4. Rent: \$600 per month for phone, water, gas and electric utilities servicing the premises
5. Property Size: 2,160 rentable square feet
6. Improvements: Modular office space with carpet & window coverings


Jack D. Farris

JDF/DCM

cc: County Assessor
Madison Wiggins, Supervising Property Agent, Real Estate Assets Department
Dave Martens, Property Agent, Real Estate Assets Department

January 1, 2004
DATE OF LEASE EXECUTION