

000095

01/07  
200

DOCKET SUPPORTING INFORMATION  
CITY OF SAN DIEGO

DATE:

**EQUAL OPPORTUNITY CONTRACTING PROGRAM EVALUATION**

November 20, 2007

SUBJECT: Lease Amendment to Add Space to City's Existing Lease at Civic Center Plaza

**GENERAL CONTRACT INFORMATION**

Recommended Consultant: Civic Center Associates, LLC  
Amount of this Action: \$30,160.35  
Funding Source: City

**SUBCONTRACTOR PARTICIPATION**

There is no subconsultant activity associated with this action.

**EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE**

Equal Opportunity: Required

This action authorizes the 13<sup>th</sup> amendment to the existing office space lease with Civic Center Associates. An additional 3,385 square feet will be added to the lease agreement. Civic Center Associates submitted a Workforce Report for their Los Angeles office dated October 17, 2007. The Workforce Report reflects less than 15 employees and is therefore, exempt from the employment category goals.

**ADDITIONAL COMMENTS**

The *Work Force Analysis* is attached.

by:AMJ



000099

REQUEST FOR COUNCIL ACTION  
CITY OF SAN DIEGO

1. CERTIFICATE NUMBER  
(FOR AUDITOR'S USE ONLY)

2800348

TO:  
CITY ATTORNEY

2. FROM (ORIGINATING DEPARTMENT):  
Real Estate Assets Department

10/10/2007

4. SUBJECT:  
Lease Amendment to Add Space to City's Existing Lease at Civic Center Plaza

5. PRIMARY CONTACT (NAME, PHONE & MAIL STA.)  
Mary Lou Houghton 619 236 6124 MS 51A

6. SECONDARY CONTACT (NAME, PHONE & MAIL STA.)  
Diane Bartko 619 236 6191

7. CHECK BOX IF REPORT TO  
COUNCIL IS ATTACHED X

8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	100		
DEPT.	601		
ORGANIZATION	2500 ✓		
OBJECT ACCOUNT	4682 ✓		
JOB ORDER	000250		
C.I.P. NUMBER			
AMOUNT	\$30,160.35 ✓		

9. ADDITIONAL INFORMATION / ESTIMATED COST:  
Cost: \$14,826.30 for Jan. through Mar.  
\$15,334.05 for Apr. through Jun  
(includes estimated operating expenses)  
Fiscal Impact: \$30,160.35 FY08  
Cc: Dept. Docket Clerk  
Thomas Guide Page 1289-A3

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIGINATING DEPARTMENT	<i>[Signature]</i>	10/12/07	8	COO	<i>[Signature]</i>	11-16-07
2	EAS	<i>[Signature]</i>	10/15/07	9	CITY ATTORNEY	<i>[Signature]</i>	11/19/07
3	EOCP	<i>[Signature]</i>	11/20/07	10	ORIGINATING DEPARTMENT	<i>[Signature]</i>	11/20/07
4	LIAISON OFFICE	<i>[Signature]</i>	10/18/07	11	N/A		
5	FM	<i>[Signature]</i>	10/26/07	DOCKET COORD: <i>[Signature]</i> 11/28/07 COUNCIL LIAISON: <i>[Signature]</i> 11/28			
6	AUDITORS	<i>[Signature]</i>	11/1/07	COUNCIL PRESIDENT <input type="checkbox"/> SPOB <input type="checkbox"/> CONSENT <input type="checkbox"/> ADOPTION <input checked="" type="checkbox"/>			
7	DEPUTY CHIEF	<i>[Signature]</i>	11/15/07	COUNCIL DATE: 1/7/08			

11. PREPARATION OF:  RESOLUTION(S)  ORDINANCE(S)  AGREEMENT(S)  DEED(S)

1. Authorize Mayor to execute 13<sup>th</sup> Amendment to add 3,385 square feet to the City's existing lease with Civic Center Associates effective January 1, 2008. This additional space will be used by the City Treasurer's Dept. In accordance with the Master Lease, the monthly rental rate is \$1.40 per square foot per month through March 31, 2008, then \$1.45 per square foot through the Lease expiration in July 2014, plus operating expenses estimated at \$.06 per square foot in FY08. *see attached*

11A. STAFF RECOMMENDATIONS:  
Introduce the ordinance

12. SPECIAL CONDITIONS:

**COUNCIL DISTRICT(S):** 2

**COMMUNITY AREA(S):** CENTRE CITY

**ACTION REQUESTED BY:** REAL ESTATE ASSETS DIRECTOR

**DOCUMENT SUBMITTED:** FOUR (4) ORIGINAL COPIES OF AMENDMENT FOR EXECUTION BY THE MAYOR

**DESCRIPTIVE LOCATION:** 1200 THIRD AVE., SUITE 1326, SAN DIEGO, CA 92101

**ENVIRONMENTAL IMPACT:** THIS ACTIVITY IS CATEGORICALLY EXEMPT FROM CEQA PURSUANT TO STATE CEQA GUIDELINES, SECTION 15301.

**HANDLING:** DO NOT RECORD RETURN DOCUMENTS TO REAL ESTATE ASSETS, ATTN: MARY LOU HOUGHTON, MS 51A, FOR FURTHER HANDLING.

This item is subject to Charter Section 99 and it requires 6 votes.

000100

2. Authorize Auditor/Comptroller to authorize the expenditure of \$30,160.35 for rent payment to Civic Center Associates, LLC.

THIRTEENTH AMENDMENT TO LEASE

This THIRTEENTH AMENDMENT TO LEASE ("Amendment"), dated for identification purposes June 15, 2007, is entered into by and between Civic Center Associates, a California limited liability company, as successor to Pacific Southwest Realty Company, a Delaware corporation ("Landlord"), and The City of San Diego, a California municipal corporation ("Tenant"), as an amendment to that certain Lease dated October 21, 1991, as amended by that certain Amendment to Lease dated, February 1, 1997, that certain Second Amendment to Lease dated December 31, 1997, that certain Third Amendment to Lease dated July 1, 1999, that certain Fourth Amendment to Lease dated October 18, 1999, that certain Fifth Amendment to Lease dated November 8, 1999, that certain Sixth Amendment to Lease dated March 16, 2000, and that certain Seventh Amendment to Lease dated August 15, 2000, that certain Eighth Amendment to Lease dated September 5, 2000, that certain Ninth Amendment to Lease dated January 30, 2001, and that certain Tenth Amendment to Lease dated April 25, 2002, that certain Eleventh Amendment to Lease dated July 10, 2003 and that certain Twelfth Amendment to Lease dated May 16, 2007, between Landlord and Tenant (the "Lease"). Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Lease.

Landlord and Tenant hereby amend the Lease as follows:

1. Expansion Premises. The premises described in the lease shall be expanded to include the following described areas on the 13<sup>th</sup> floor of the building ("Expansion Premises"):
 

<u>Suite</u>	<u>Rentable Area</u>
Suite 1326	3,385

The Expansion Premises are particularly shown on Exhibit "A" attached hereto and incorporated herein by this reference. As used in the Lease, the term "Premises" shall include the Expansion Premises, effective on the Commencement Date (defined below). The Premises, as so expanded, shall be comprised of approximately 243,176 square feet of Rentable Area.

2. Commencement Date. Tenant's rights and obligations with respect to Suite 1326 of the Expansion Premises under the Lease, as amended herein, shall commence January 1, 2008 (Commencement Date). Upon that date, Tenant shall commence paying Base Monthly Rent and Tenant's Share of Operating Expenses for the entire Expansion Premises, including suite 1326.
3. Base Monthly Rent. The Base Monthly Rent for the Expansion Premises shall commence on the Commencement Date and will be as follows:

<u>Period</u>	<u>Monthly Rent</u>
1/1/08 – 3/31/08	\$4,739.00 (\$1.40 per RSF)
4/1/08 – 7/23/14	\$4,908.25 (\$1.45 per RSF)

If the Commencement Date begins on a day other than the first day of a month, the rent for the partial month shall be prorated on a per diem basis.

4. Tenant's Percentage Share of Operating Expenses. Tenant's Percentage Share of Operating Expenses shall increase from 89.82% to 91.09% on the Commencement Date.
5. Base Year for Expansion Premises. Per Paragraph 5 of the Second Amendment to Lease, the Base Year was adjusted to a new Base Year of 2003 effective April 1, 2003.
6. No Relocation Allowance. Because the Expansion Premises are not being leased hereunder during the first three (3) years of the Term of the Lease, Tenant shall not receive a Relocation Allowance for the Expansion Premises.
7. Tenant Improvements. In accordance with the letter agreement between Tenant and Landlord dated June 15, 2005, Landlord shall not be obligated to make any further modifications, changes or additional improvements to the Expansion Premises or expend any additional sums therefore.
8. Brokers. In accordance with the letter agreement between Tenant and Landlord dated June 15, 2005, each party warrants to the other that there are no brokerage commissions or fees payable in connection with this Amendment. Each party further agrees to indemnify and hold the other party harmless from any cost, liability and expense (including attorney's fees and the allocated costs of Landlord's in house attorneys) which the other party may incur as the result of any breach of this Paragraph 8.
9. Ratification. Landlord and Tenant hereby confirm that the Lease, as modified herein, remains in full force and effect, and each party is bound by all of the provisions set forth therein.

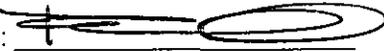
IN WITNESS WHEREOF, this Amendment to Lease is executed by the City of San Diego acting by and through its City Manager, and by Landlord acting by and through its lawfully authorized officers. This Amendment is subject to City Council approval.

LANDLORD:

**Civic Center Associates, LLC,**  
a California limited liability company

By: Rock Asset Management, Inc.  
a California corporation, Manager

By:   
Name: Richard Wolfen  
Title: President

By:   
Name: Richard Wolfen  
Title: Secretary

TENANT:

**The City of San Diego,**  
a California municipal corporation

By: \_\_\_\_\_  
Name:  
Title: Director  
Real Estate Assets Department

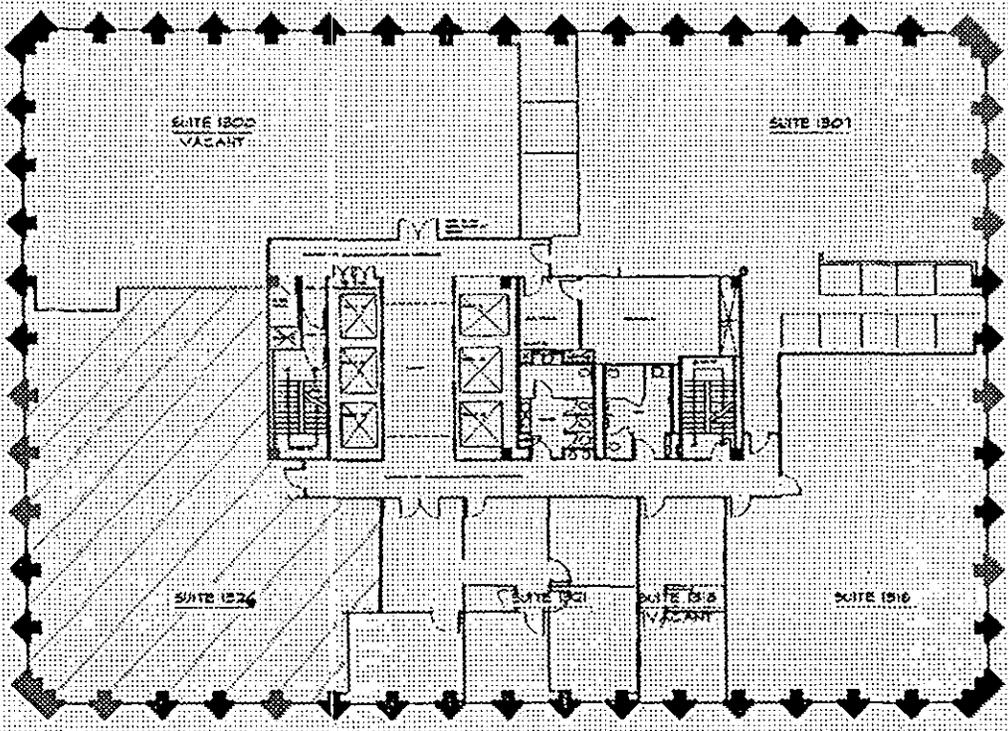
APPROVED AS TO FORM AND LEGALITY THIS:

\_\_\_\_\_ day of \_\_\_\_\_, 2007

\_\_\_\_\_, City Attorney

By: \_\_\_\_\_

Deputy City Attorney



# CIVIC CENTER PLAZA

FLOOR 13  
 100% TENANT  
 20,000 S.F.  
 20,000 S.F.  
 3,000,000 S.F.



KOLL MANAGEMENT SERVICES  
 1200 THIRD AVENUE, SUITE 405  
 SAN DIEGO, CALIFORNIA 92101  
 (619) 531-8900  
 PLOT DATE 05/04/96



# EXAMPLE

## OWNERSHIP INFORMATION

SUBJECT - 12th Amendment to Civic Center Plaza Lease

Firm	Principal	Ownership Information
<i>Civic Center Associates, LLC</i>	Rick Wolfen, President	<i>Privately-held</i>

000107

000109

**EXECUTIVE SUMMARY SHEET**  
CITY OF SAN DIEGO

DATE ISSUED: \_\_\_\_\_ REPORT NO: \_\_\_\_\_  
ATTENTION: City Attorney  
ORIGINATING DEPARTMENT: Real Estate Assets  
SUBJECT: 13<sup>th</sup> Amendment to Add Space to Lease at Civic Center Plaza  
COUNCIL DISTRICT(S): 2  
CONTACT/PHONE NUMBER: Mary Lou Houghton (619) 236-6124

REQUESTED ACTION: Authorize the Mayor to execute a lease amendment to add 3,385 rentable square feet to the existing Master Lease at the Civic Center Plaza.

STAFF RECOMMENDATION: Introduce the Ordinance

EXECUTIVE SUMMARY: The City Treasurer will be utilizing the space which will enhance their operating efficiency by relocating the Revenue Collections Division from Executive Complex. This will, in turn, provide a vacant space that could accommodate a larger group from the World Trade Center.

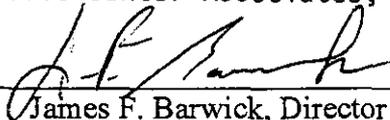
FISCAL CONSIDERATIONS: Rent for the existing CCP lease is significantly below market rent of \$2.51 to \$3.00 per square foot for Downtown office space. With the addition of this space, the City occupies 91% of this building. The total funding for this space in FY08 is \$30,160.35 with no increase in rent throughout the lease term. The \$30,160.35 cost will be funded from anticipated saving in Fiscal Year 08 in Fund 100, Department 601, org 2500, Object Account 4682.

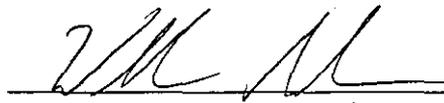
PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None

KEY STAKEHOLDERS AND PROJECTED IMPACTS: The affected department's divisions will be in closer working proximity to other department staff and CAB. This increases operational efficiencies while utilizing a lower rent per square foot cost.

Civic center Associates, LLC

  
James F. Barwick, Director  
Real Estate Assets Department

  
Deputy Chief/Chief Operating Officer



000113

ORDINANCE NUMBER O-\_\_\_\_\_

DATE OF FINAL PASSAGE \_\_\_\_\_

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR TO EXECUTE A THIRTEENTH AMENDMENT TO THE LEASE BETWEEN THE CITY AND CIVIC CENTER ASSOCIATES, LLC, TO ADD SPACE LEASED IN THE CIVIC CENTER PLAZA BUILDING LOCATED AT 1200 THIRD AVENUE, SAN DIEGO, CALIFORNIA.

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

WHEREAS, The City Of San Diego [City], as tenant, and Civic Center Associates, LLC, a California limited liability company [CCA], as landlord, are parties to that certain Lease dated October 21, 1991, as amended twelve times, relating to the City's leasing of office space in the Civic Center Plaza building [CCP Building], located at 1200 Third Avenue, San Diego, California; and

WHEREAS, the City intends to expand the lease to include Suite 1326 on the 13<sup>th</sup> floor, comprising approximately 3,385 square feet of additional space in the CCP Building pursuant to a Thirteenth Amendment to the Lease [Amendment], to be effective as of January 1, 2008, through the end of the Lease term, which is July 23, 2014; and

WHEREAS, the current market rent for properties comparable to the CCP Building has been determined by the City's Real Estate Assets Department to range from \$2.51 per square foot to \$3.00 per square foot; and

000114

WHEREAS, the City Treasurer will be utilizing the space which will enhance their operating efficiency by relocating the Revenue Collections Division from the Executive Complex; and

WHEREAS, this will provide vacant space for departments currently occupying the World Trade Center; and

WHEREAS, the monthly rental rate under the Amendment will be \$1.40 per square foot until March 31, 2008, then \$1.45 per square foot through the remainder of the Lease term, plus operating expenses shall increase from 89.82% to 91.09% on the commencement date; and

WHEREAS, the \$30,160.35 cost will be funded from anticipated saving in Fiscal Year 08 in Fund 100, Department 601, org. 2500, Object Account 4682; NOW, THEREFORE,

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

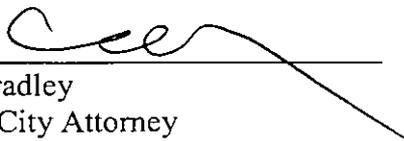
Section 1. That the Mayor or his designee is authorized to execute and deliver, for and on behalf of The City of San Diego, a Thirteenth Amendment to Lease [Amendment] amending that certain Lease dated October 21, 1991, by and between The City Of San Diego, as tenant, and Civic Center Associates, LLC, a California limited liability company, as landlord, and relating to the addition of approximately 3,385 square feet of office space to the Lease premises located in the Civic Center Plaza building at 1200 Third Avenue, San Diego, California, under the terms and conditions set forth in the Amendment on file in the office of the City Clerk as Document No. OO-\_\_\_\_\_.

Section 2. That the Auditor and Comptroller is authorized and directed to expend \$30,160.35 in Fiscal Year 2008 as required under the Amendment, and to make such fund transfers and re-allocations as may be necessary and prudent to effect such payment.

Section 3. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been available to the City Council and the public prior to the day of its passage.

Section 4. This ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By   
Todd Bradley  
Deputy City Attorney

TB:bas  
10/11/07  
Or.Dept:READ  
O-2008-52  
MMS #5446

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