



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
November 19, 2014**

TO: Mayor and City Council
FROM: David Scola, Public Works Director
PREPARED BY: Michael Chandler, Senior Management Analyst
SUBJECT: Corporation Yard Lease Extension
DATE: November 12, 2014

RECOMMENDATION:

Adopt a resolution renewing a five-year lease for the City’s Corporation Yard and authorize the Mayor to sign a Letter of Agreement between the City of Martinez and Mrs. Shirley Costanza.

BACKGROUND

The City leases its Corporation Yard located at 300 Alhambra Avenue from Mrs. Shirley Costanza. The original lease between the parties commenced in June 1970, with the last five-year extension approved by Council on January 6, 2010. The current lease is due to expire on December 31, 2014.

Attached is a Letter of Agreement between the City and Mrs. Costanza, which proposes to extend the original lease for a period of five years. The Letter of Agreement retains in force all provisions of the original lease and updates the amount and terms of rent. Additionally, the Letter of Agreement provides the City the flexibility to terminate upon 180 days advance notice to Mrs. Costanza in the event the City wishes to relocate its Corporation Yard and vacate the site.

FISCAL IMPACT:

The current rent is \$4,500 per month. The lease rate as proposed will increase by \$250 each year starting in 2015. The proposed rates are as follows:

- From January 1, 2015, through December 31, 2015; \$4,750 per month.
- From January 1, 2016, through December 31, 2016; \$5,000 per month.
- From January 1, 2017, through December 31, 2017; \$5,250 per month.
- From January 1, 2018, through December 31, 2018; \$5,500 per month.
- From January 1, 2019, through December 31, 2019; \$5,750 per month.

ACTION:

Motion to adopt a resolution renewing a five-year lease for the City's Corporation Yard and authorize the Mayor to sign a Letter of Agreement between the City of Martinez and Mrs. Shirley Costanza.

Attachments:

Resolution

Letter of Agreement

APPROVED BY:

A handwritten signature in blue ink, appearing to read "Steve Stakel".

Interim City Manager

RESOLUTION NO. -14

**RENEWING A FIVE-YEAR LEASE FOR THE CITY'S CORPORATION YARD AND
AUTHORIZING THE MAYOR TO SIGN A LETTER OF AGREEMENT BETWEEN THE
CITY OF MARTINEZ AND MRS. SHIRLEY COSTANZA**

WHEREAS, the City of Martinez has since 1970 leased property located at 300 Alhambra Avenue ("Original Lease") for its Corporation Yard; and

WHEREAS, the City desires to continue to lease property at 300 Alhambra Avenue for its Corporation Yard; and

WHEREAS, the City has entered into multiple extensions of the Original Lease with Mrs. Shirley Costanza ("Lessor"), the most recent of which was a five (5) year extension set to expire on January 1, 2015; and

WHEREAS, Lessor has indicated a willingness to enter into another five (5) year extension of the Original Lease with the City; and

WHEREAS, Lessor has also agreed that the City may opt out of the extension with 180 days advance written notice of termination of the lease.

NOW, THEREFORE, BE IT RESOLVED that the City Council authorizes the Mayor to sign a Letter of Agreement extending the Original Lease for a period of five (5) years, from January 1, 2015 through December 31, 2019, at an initial rate of \$4,750 per month for the first year and increasing by a rate of \$250 per month each year thereafter.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 19th day of November, 2014, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

LETTER OF AGREEMENT BETWEEN
THE CITY OF MARTINEZ AND MRS. SHIRLEY CONSTANZA

The purpose of this letter is to provide for the extension of that certain Lease, dated June, 1970 (“Original Lease”), between the City of Martinez (“City”) and Mrs. Shirley Costanza (“Lessor”) for the property located at 300 Alhambra Avenue, currently used by the City as its Corporation Yard.

This letter agreement retains in force all the provisions of the Original Lease, and affects only the rental amount and terms of the original lease. The parties acknowledge that the Original Lease was extended through a number of extension agreements and the Original Lease, as extended, is set to expire on January 1, 2015. The parties agree to extend the Original Lease to and include December 31, 2019, under the terms and conditions set forth herein. The Original Lease, as extended by this letter agreement, may be terminated by the City upon 180 days advance written notice to Mrs. Shirley Costanza.

Commencing on January 1, 2015, and continuing through December 31, 2015, the rent shall be \$4,750 per month. For the balance of the term of this extension, the monthly rent shall be as follows:

- From January 1, 2016, through December 31, 2016; \$5,000 per month.
- From January 1, 2017, through December 31, 2017; \$5,250 per month.
- From January 1, 2018, through December 31, 2018; \$5,500 per month.
- From January 1, 2019, through December 31, 2019; \$5,750 per month.

DATE: _____

Mrs. Shirley Costanza

DATE: _____

Rob Schroder, Mayor