



Office of the City Manager

CONSENT CALENDER  
July 16, 2019

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Andrew Greenwood, Chief of Police

Subject: Lease Amendment: Police Department Substation, 841 Folger Street/3000 Seventh Street

RECOMMENDATION

Adopt first reading of an Ordinance authorizing the City Manager to execute an amendment to the lease agreement with Sasha Shamszad for real property located at 841 Folger Street/3000 Seventh Street for the purpose of leasing office and parking space to the Berkeley Police Department Traffic and Parking Enforcement Units for the six months following approval of this amendment by the Berkeley City Council. A holding over clause in the amendment will also allow the City to continue to lease the property on a month-to-month basis if needed after the expiration of the six month extension.

FISCAL IMPACTS OF RECOMMENDATION

The proposed amendment involves a six month extension of a commercial lease for 5,900 square feet of office space and an adjoining 4,800 square foot paved vacant lot for parking.

The City will continue to pay the current monthly rent of \$16,651.65 throughout the term of this agreement. Expenditures for the lease will continue to be funded by the General Fund (40%), budget code 011-71-703-812-0000-000-421-625110, and the Parking Meter Fund (60%), budget code 631-71-703-812-0000-000-474-625110.

CURRENT SITUATION AND ITS EFFECTS

The Police Department has a contract with Sasha Shamszad (Contract No. 8051) for the lease of the Traffic Substation, 841 Folger Street/3000 Seventh Street until July 16, 2019. The Police Department is also in the process of moving the Traffic Substation to a new location at 125/127 University Avenue which is more centrally located and owned/managed by the City of Berkeley. Planned installation of fencing and required ADA upgrades to the property at 125/127 University are scheduled to be completed in February of 2020.

Lease Amendment: Police Department Substation,  
841 Folger Street/3000 Seventh Street

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This item seeks Council's approval of the ordinance that will authorize the City Manager to execute the lease amendment with Sasha Shamszad for use of 841 Folger Street/3000 Seventh Street until the work at the new facility has been finished.

#### BACKGROUND

The Police Department Substation moved from 3140 Martin Luther King Jr Way to 841 Folger Street in July of 2009. In February of 2018, the Berkeley Police Department began exploring whether it would make sense to move the location of the Traffic Substation when the current lease expires in July of 2019. After reviewing several different options the decision was made to move to 125/127 University Avenue.

City Staff identified several modifications to 125/127 University Avenue that would need to be completed prior to the move. These modifications included upgrading the restroom facilities to comply with ADA rules and building a fenced parking area for City Vehicles.

These projects are currently scheduled for completion in February of 2020.

#### ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental opportunities or impacts associated with the subject of this report.

#### RATIONALE FOR RECOMMENDATION

Due to the aforementioned scheduling factors, the move from one facility to another cannot be completed prior to the expiration of the current lease. During preliminary discussions with the current landlord he expressed interest in a six month lease extension and a holding over period on a month-to-month basis. The lease rate will remain the same.

#### ALTERNATIVE ACTIONS CONSIDERED

Staff actively explored commercial rental space in Berkeley as well as other City owned properties. Negotiating an entirely new lease at the current location was considered and also the outright purchase of a facility.

#### CONTACT PERSON

Andrew Greenwood, Chief of Police, 981-5700

Attachments:

- 1: Ordinance  
Exhibit A: Amendment to Lease Agreement

ORDINANCE NO. -N.S.

AUTHORIZING LEASE AMENDMENT FOR THE USE OF 841 FOLGER STREET AND  
3000 7<sup>TH</sup> STREET

BE IT ORDAINED by the Council of the City of Berkeley as follows:

Section 1. FINDINGS

- A. The City adopted Ordinance No. 7,079-N.S. authorizing a Lease Agreement with Sasha Shamszad (Lessor) effective July 15, 2009 (“Lease”) to use Lessor’s property, located at 841 Folger Street and 3000 7<sup>th</sup> Street, as set forth in the Lease Agreement..
- B. In the Lease, the City and Lessor agreed to an initial term, beginning on July 15, 2009 and ending July 15, 2014 and City exercised its right to an option term, beginning on July 16, 2014. The lease is set to expire on July 16, 2019.
- C. The City is preparing to move its Traffic Substation to 125/127 University Avenue. This move will require various modifications to the building and adjacent parking area at 125/127 University Avenue. These modifications are scheduled for completion in February of 2020.
- D. The existing lease agreement expires July 16, 2019 and the new facility won’t be available until at least February 2020. A six month lease extension plus holdover period are needed to bridge the gap in order to maintain our current level of service to the community.

Section 2. AUTHORIZATION FOR CITY MANAGER TO AMEND LEASE AGREEMENT WITH SASHA SHAMSZAD

The City Manager is hereby authorized to amend the lease agreement with Sasha Shamszad for improved real property at 841 Folger Street and 3000 7<sup>th</sup> Street, and to make any amendments thereto. Such lease amendment shall be on substantially the terms set forth in Exhibit A.

Section 3. POSTING

Copies of this Ordinance shall be posted for two consecutive days prior to adoption in the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King, Jr. Way. Within fifteen days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library, and the title shall be published in a newspaper of general circulation.

**AMENDMENT TO LEASE AGREEMENT**

This Lease amendment (“Amendment”) is made on July \_\_\_\_, 2019, between the CITY OF BERKELEY (“City” or “Lessee”) and SASHA SHAMSZAD (“Lessor”), who agree as follows:

*This Amendment is made with reference to the following facts and objectives:*

A. The City entered into a Lease Agreement with Lessor which was effective on July 15, 2009 (“Lease”) to use Lessor’s property, located at 841 Folger Street and 3000 7<sup>th</sup> Street, as set forth in the Lease Agreement. A copy of Ordinance No. 7,079-N.S authorizing the lease agreement is attached hereto as Exhibit A.

B. In the Lease, the City and Lessor agreed to an initial term, beginning on July 15, 2009 and ending July 15, 2014 and City exercised its right to an option term, beginning on July 16, 2014. The lease is set to expire on July 16, 2019.

C. City and Lessor now wish to amend certain terms of the Lease, as set forth below.

Therefore, the Lessor and Lessee agree as follows:

1. Section 3 (Term) is hereby amended to read: “The Commencement Date and Original Term of this Lease are as specified in Paragraph 1.3, except that the term of this Lease shall expire six months following approval of this amendment by the Berkeley City Council and executed by both Lessee and Lessor.”
2. Section 63 (Holding Over) is added as follows:

If, without objection by Lessor, Lessee holds possession of the Premises after expiration of the lease term, as extended by this amendment, Lessee shall become a Lessee from month-to-month upon all provisions of this Lease applicable immediately prior to the expiration of such Term. Each party shall give the other at least thirty (30) days' written notice of its intention to terminate such month-to-month tenancy.

3. In all other respects, the Lease Agreement with an effective date of July 15, 2009, shall remain in full force and effect.

**IN WITNESS WHEREOF**, City and Lessor have executed this Amendment as of the date written on the first paragraph above.

CITY OF BERKELEY

BY:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Manager

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

REGISTERED BY:

ATTEST:

\_\_\_\_\_  
City Auditor

\_\_\_\_\_  
City Clerk

LESSOR  
SASHA SHAMSZAD

\_\_\_\_\_  
By: SASHA SHAMSZAD  
Title:

\_\_\_\_\_  
City of Berkeley Business License No.

