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Title: Actions pertaining to a ten year Lease Agreement at 2510 South East Avenue Suite 400, Fresno CA 93706

1. Adopt a finding of Categorical Exemption Class 1/Section 15301 (Existing Facilities) of the California Environmental Quality Act Guidelines; and
2. Approve a lease between the City of Fresno and the County of Fresno and Foundry Park Investors, LP, A California Limited Partnership, Frank Solomon JR., an individual, Solomon Family Partnership LP and Frank Solomon JR. Family Living Trust for use by the Police Department as general office space.

Sponsors: Police Department

Indexes:

Code sections:

Attachments: 1. MAGEC Lease 031518.pdf

Date	Ver.	Action By	Action	Result
3/22/2018	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

March 22, 2018

FROM: JERRY DYER, Chief of Police

BY: PATRICK FARMER, Deputy Police Chief

SUBJECT

Actions pertaining to a ten year Lease Agreement at 2510 South East Avenue Suite 400, Fresno CA 93706

1. Adopt a finding of Categorical Exemption Class 1/Section 15301 (Existing Facilities) of the California Environmental Quality Act Guidelines; and
2. Approve a lease between the City of Fresno and the County of Fresno and Foundry Park Investors, LP, A California Limited Partnership, Frank Solomon JR., an individual, Solomon Family Partnership LP and Frank Solomon JR. Family Living Trust for use by the Police Department as general office space.

RECOMMENDATION

Staff recommends that the City Council authorize the Chief of Police to enter into lease agreement with County of Fresno and Foundry Park Investors, LP, A California Limited Partnership, Frank

Solomon JR., an individual, Solomon Family Partnership LP and Frank Solomon JR. Family Living Trust (Lessor) for office space located at 2510 South East Avenue Suite 400, Fresno CA 93706.

EXECUTIVE SUMMARY

The Fresno Police Department (FPD) Multi-agency Gang Enforcement Consortium (M.A.G.E.C.) teams have co-habited the space located at 2510 South East Avenue with the County of Fresno's District Attorney's (County) office for the past ten years. The City of Fresno (City) and County staff began lease negotiations in March of 2017 which included discussions about requested tenant improvements, additional parking, and square foot rate. While all parties have been working closely and swiftly in the negotiations, a multi-agency agreement has many layers of review and as such the current lease has expired and is on a month-to-month basis. The proposed lease includes a ten year term with the possibility of two, five-year extensions for approximately 12,300 square feet space. The base rent has been negotiated at \$1.05 per sq. ft. which totals \$77,490 for the first six months, an increase of 4.75% after six months, and thereafter a 2% annual increase. The City and the County will split the costs of the rent, utilities and janitorial services on a 50/50 basis.

BACKGROUND

In November 2017, M.A.G.E.C. celebrated its twenty year anniversary. M.A.G.E.C. is well known for its inter-agency cooperation and ability to conduct complex large scale investigations. Currently M.A.G.E.C. is comprised of five teams which include; M.A.G.E.C. Metropolitan Investigations, M.A.G.E.C. Metropolitan Tactical Team, M.A.G.E.C. Rural Investigations, M.A.G.E.C. Rural Tactical Team and a team of prosecutors from the Fresno County District Attorney's office. The teams are comprised of sixty personnel from the following agencies, Fresno Police Department, California Highway Patrol, Fresno County Sheriff's Department, Clovis Police Department, California Department of Corrections and Rehabilitation, Orange Cove Police Department, Kingsburg Police Department, Fresno County District Attorney's Office and Homeland Security.

The City and the County's M.A.G.E.C staff have co-habited the space located at 2510 South East Avenue for the past ten years. As the lease was set to expire in January 2018, the City and County engaged the City's Asset Manager, Cushman & Wakefield, in March of 2017 to negotiate the terms for the current location in order to renew the lease and include necessary tenant improvements. While all parties have been working closely and swiftly in the negotiations, a multi-agency agreement has many layers of review and as such the current lease has expired and is on a month-to-month basis at \$1.05 per sq. ft. A survey of available properties showed that the current location continues to meet the needs of both the City and County by providing a space near downtown with secured parking, but the parties were able to agree on some additional tenant improvements. Specifically, the proposed lease will include additional secured parking with pedestrian gates, a cap on PG&E costs for the term of the lease, interior painting, one time professional carpet cleaning, installation of a drop-ceiling, and installation of a small HVAC unit in the server room at the landlord's sole expense. The proposed lease includes a ten year term with the possibility of two, five-year extensions for approximately 12,300 square feet space. The base rent has been negotiated at \$1.05 per sq. ft. which totals \$77,490 for the first six months, an increase of 4.75% to \$1.10 per sq. ft. after six months, and thereafter a 2% annual increase. The City and the County will split the costs of the rent, utilities and janitorial services on a 50/50 basis.

Staff recommends that the City Council authorize the Chief of Police to enter into lease agreement with County of Fresno and Lessor for office space located at 2510 South East Avenue Suite 400,

Fresno CA 93706.

ENVIRONMENTAL FINDINGS

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Categorical Exemption set forth in CEQA Guidelines 15301 which exempts projects where there is no change in existing use. The leased space has historically been used for commercial office space and will continue to be used for this purpose. Furthermore, Staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.

LOCAL PREFERENCE

Local preference is not applicable because this is not a contract for goods, services, or public work of improvement.

FISCAL IMPACT

The lease will be paid from the Police Department's FY 18 General Fund and subsequent annual appropriations.

Attachment:
Lease Agreement