

Staff Summary Report



Council Meeting Date: May 7, 2009

Agenda Item Number: _____

SUBJECT: Authorize the City Manager to extend the existing lease with Centerpoint Plaza Limited Partnership.

DOCUMENT NAME: 20090507dscm01 **CENTRAL BUSINESS DISTRICT (0403-05)**

PREPARED BY: Chris Messer, Principal Planner (350-8562)

REVIEWED BY: Chris Salomone, Community Development Manager (350-8294)
Jerry Hart, Financial Services Manager (350-8505)

LEGAL REVIEW BY: Cynthia McCoy, Assistant City Attorney (350-2187)

FISCAL NOTE: The lease rate for the first three-month extension is \$15,595.38, \$835.55 common area maintenance fee, \$160.00 parking fee plus applicable taxes per month. Sufficient funding is available in Cost Center 3526.

RECOMMENDATION: Authorize the City Manager to extend the lease as necessary to enable the City to relocate Tax and License and Special Events staff.

ADDITIONAL INFO: For the past 9 years, the City has leased 7,339 square feet of office space within the Centerpoint project. This space is occupied by the Tax and License Division, and the Special Events staff.

Staff anticipates relocating the Tax and License staff to the third floor of the 525 building and the Events staff to the Tempe Performing Arts Center (TPAC) within that time period.

Staff seeks authorization for the City Manager to sign up to two additional three month extensions as necessary to complete the Tenant Improvements in the 525 building and the TPAC.

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE (the "Amendment") is effective as of the ____ day of _____, 2009 (the "Effective Date"), by and between Centerpoint Holdings LLC, a Delaware limited liability company, as successor by merger to Centerpoint Plaza Limited Partnership, an Arizona limited partnership, as successor-in-interest to CPT Development Partners Limited Partnership, an Arizona limited partnership ("Landlord"), and City of Tempe ("Tenant").

RECITALS

A. Landlord and Tenant entered into a Lease Agreement dated January 31, 2000 wherein Landlord leased to Tenant, and Tenant leased from Landlord, Suite 175 containing 7,339 rentable square feet of space (the "Premises") on the 1st floor of the building located at 660 South Mill Avenue, Tempe, AZ 85281 (the "Building") at Centerpoint (the "Center"); subsequent First Amendment to Lease dated June 30, 2000, Second Amendment to Lease dated May 5, 2005, Letter Agreement dated September 26, 2006; and Letter Agreement dated March 28, 2008 (collectively the "Lease").

B. By this Third Amendment, the parties desire to amend the Lease by extending the term of the Lease on the terms and conditions hereinafter set forth.

AGREEMENT

1. The Lease will continue for a period of three (3) months effective May 15, 2009 and will terminate August 14, 2009 (the "Extension Term").
2. The Base Rent for the Extension Term will be Twenty Five Dollars and Fifty Cents (\$25.50) per rentable square foot per year, or \$15,595.38 per month, plus applicable rental tax, currently 2.3%.
3. Tenant shall confirm its move out date no later than July 15, 2009.
4. This Extension Term shall be subject to all the terms, covenants and conditions of the Lease.
5. Except as specifically modified herein, the Lease remains unchanged and in full force and effect.

IN WITNESS WHEREOF, and intending to be legally bound hereby, Landlord and Tenant have caused this Third Amendment to Lease to be executed as of the day and year set forth in the first paragraph above.

TENANT:

LANDLORD:

CITY OF TEMPE

CENTERPOINT HOLDINGS LLC, a Delaware limited liability company, successor by merger with CENTERPOINT PLAZA LIMITED PARTNERSHIP, as successor-in-interest to CPT DEVELOPMENT PARTNERS LIMITED PARTNERSHIP

By: _____
Name: _____
Title: _____

By: DMB Consolidated Holdings, L.L.C., an Arizona limited liability company, its Manager

By: DMB Associates, Inc., an Arizona corporation, its Manager

Date Signed: _____

By: _____
Name: _____
Title: _____

Date Signed: _____