

MARIN GENERAL SERVICES AUTHORITY

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MEMORANDUM

DATE: January 14, 2016

TO: MGSA Board of Directors

FROM: Paul Berlant, Executive Officer

SUBJECT: AGENDA ITEM H: Approval of Lease of Office Space, 555 Northgate San Rafael

Recommendation

Authorize the Executive Officer to execute a lease agreement for office space at 555 Northgate Drive, San Rafael.

Discussion

The MGSA office staff, files, records, and conference room meeting space have been located at 555 Northgate Drive, San Rafael since June 2009. The current lease expires at the end of February 2016. The current space accommodates MGSA as well as MTA and LAFCO. LAFCO has opted to no longer share space with MGSA and MTA as of the end of the current lease period. Barbara Thornton, the MTA Executive Director, and I have negotiated an extension to our lease in smaller space.

The current location serves both MTA and MGSA exceedingly well. We have easy access to the County Civic Center for the financial transactions which require a visit to the County Civic Center and for posting of Board meeting agendas there. In addition, at no additional charge, there is space for storage and computer system servers, copier service available paid for as needed, IT and phone service are available, and three conference rooms are available. Further, given the physical arrangement of space, MTA and MGSA office staff often “cover” for the other when one is not in the office, transport documents (deposits, postings, etc.) to the County Civic Center and otherwise informally back each other up.

In the fall, the LAFCO Executive Officer notified Ms. Thornton and me that LAFCO intended to move to another location due to their perceived need for added space and higher public visibility. When given this notice, we considered a move along with LAFCO due to the synergies that come with the shared space. However in November, LAFCO staff notified us that they no longer desired to share space and opted out of our

joint tenancy arrangement as of the end of the current lease. Since then Ms. Thornton and I have also considered alternate sites, including sub-leasing space at the TAM offices in San Rafael. In our opinions, we are still best served by remaining where we are given the rental and associated costs, the services and locale attendant to the current site, and the inclusion of furniture, phones, copier, and conference space provided.

The new lease terms are generally the same as we currently have with the exception of rental amount and space allotted to us. The current rent for the space that MTA and MGSA will jointly occupy is \$1300 per month, and will go up to \$1339 per month. MGSA will be responsible for \$309 per month (23%). The rental rate is proposed to be increased by 3% each succeeding year. Rent does not include internet costs, also shared with MTA, which will be \$75 per month (\$150/2). The proposed new lease is for four years. The adopted MGSA 2015-16 budget reflects these costs.

MTA and MGSA will continue to jointly be considered the "Tenant" under the lease. Under the joint and several liability clause in the lease, MTA and MGSA will be individually responsible for the obligations of the "tenant," including all rent. Thus, MTA and MGSA will each be responsible for the full lease amount. Neither Barbara Thornton nor I see any reason why our respective agencies would not remain in the current space for the duration of the lease and see little risk in executing the lease for the four-year term.

The full lease document has not been completed and reviewed as of the preparation of this memorandum. However, since we will not have another MGSA Board meeting before the termination of the current lease, I am recommending that I (or next Executive Officer) be authorized to execute the lease based on the terms listed above and as shown on the term sheet provided by the building management (attached).