



PUBLIC WORKS DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: June 2, 2020

Subject

Authorize the City Manager to negotiate and execute a lease agreement with the Friends of Stevens Creek Trail for the property known as the McClellan Ranch House located at 22221 McClellan Road, Cupertino, CA 95014.

Recommend Action

Authorize the City Manager to negotiate and execute a lease agreement with Friends of Stevens Creek Trail for the property known as the McClellan Ranch House for the period July 1, 2020 to June 30, 2025, with an option to renew for five additional one-year terms.

Background

Since 1993, the City of Cupertino has leased office space to the Friends of Stevens Creek Trail in the McClellan Ranch Preserve. The space consists of 109 square feet within the ranch house (81 square feet of office space and 28 square feet of storage) together with the non-exclusive use of hallways, restrooms, and outside parking facilities. The current lease agreement, which was for 1-year with a 1-year option to extend, expires on June 30, 2020.

Discussion

Staff recommends approval of the lease agreement at \$119.50 per month. Lease payments will total \$1,434.00 for the first year. The lease is recommended for a five-year period, with an option to renew for five additional one-year terms. A longer-term lease is recommended to preserve staff time used in the negotiation and renewal of the lease, and to facilitate the ongoing partnership with this tenant. The lease amounts each year of the initial term and for each of the five one-year renewal terms include a 3% increase.

Fiscal Impact

No fiscal impact is projected. The \$1,434.00 in projected annual revenue, with 3% annual increases, is deposited into the General Fund and is currently included in the budget.

Prepared by: Chad Mosley, Assistant Director of Public Works

Reviewed by: Roger Lee, Director of Public Works

Approved for Submission by: Dianne Thompson, Assistant City Manager

Attachments:

A – Draft Friends of Stevens Creek Trail Lease Agreement