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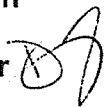
**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCO)**  
**EXECUTIVE OFFICER'S REPORT**

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CONSENT AGENDA ITEM No. 10

**DATE:** April 13, 2016

**TO:** Local Agency Formation Commission

**FROM:** David E. Fey, AICP, Executive Officer 

**SUBJECT:** Authorize Request: Authorize the Executive Officer to Revise Existing Lease Agreement with the Milner Klein Realty Company (dba Physicians' Building Partners) for Additional Office Space

**RECOMMENDATION:** Approve Request

**Background**

The Proposed 2016-17 budget proposes additional staff which will require leasing additional office space. Office space is currently available and connected to LAFCo's current office and has been offered at \$1.45 per square foot (sf). LAFCo's current office lease in the Physician's Building is located just north of Fresno City Hall and will expire at the end of January, 2019.

Because this office space is currently on the market and is highly convenient if LAFCo staffing is increased, staff advises that the Commission consider changes to its office lease in advance of its final budget's approval.

LAFCo currently leases 1,448 sf at \$1.45/sf with a utility/janitorial charge of \$0.389/sf for a monthly rent of \$2,636. As part of this revised lease LAFCo will relinquish the 185 sf office space it started leasing in 2014, for an additional 549 sf for a total of 1,812 sf at \$1.45/sf. With the existing utility/janitorial charge of monthly rent will be \$3,331.

Per the existing lease agreement, the cost per square foot will increase to \$1.50/sf on February 1, 2017 and the utility/janitorial charge will increase to \$0.408 for an estimated monthly rent of \$3,457.

The basic terms of the lease would be as follows:

The term of this lease is for 84 months (7 years), commencing on the 1st day of February, 2012, and ending on the 31st day of January, 2019. Tenant shall have the option to extend lease for an additional 36 months at a rate to be mutually agreed upon by Tenant and Landlord.

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