



AGENDA REPORT
SAN CLEMENTE CITY COUNCIL MEETING
 Meeting Date: March 6, 2012

Agenda Item 6H
 Approvals: _____
 City Manager _____
 Dept. Head _____
 Attorney _____
 Finance _____

Department: Finance & Administrative Services
Prepared By: Kumi Elston, Central Services Officer *KE*

Subject: *LEASE OF A PORTION OF 910 CALLE NEGOCIO TO AMMCOR*

Summary: AMMCOR, a homeowner association management company in San Clemente, signed a letter of intent on February 22, 2012 to lease of a portion of the 2nd floor of the 910 Calle Negocio building. The terms are:

- Approximately 8,264 square feet as shown on exhibit "A".
- Lease term of sixty months.
- Early possession on June 1, 2012.
- Lease commencement on July 1, 2012.
- First month's rent and security deposit of \$20,090.40.
- Tenant improvements include new walls, doors and windows to create new office and conference room areas, as shown in exhibit "B". Tenant improvements are estimated to cost \$40,000.
- Seven percent leasing commission on the total lease consideration or \$41,651 to Johnston Pacific Commercial Real Estate, representing both the tenant and the City.

AMMCOR has requested "eyebrow" signage on the southwest corner of the building as shown on exhibit "C", as well as lobby directory and suite signage. All signage will be subject to City approval and all costs will be paid by AMMCOR.

AMMCOR is also asking for after-hour use of the building to hold homeowner association meetings. Heating, ventilation and air conditioning services will be supplied to the suite on Monday through Thursday for an additional sum of \$500 per month.

Over the five year term, AMMCOR will pay a total of \$595,008 in rent (exhibit "D").

Recommended Action: STAFF RECOMMENDS THAT the City Council:

1. Approve and authorize the Mayor to execute a lease agreement between the City of San Clemente and AMMCOR for the lease of a City building at 910 Calle Negocio; and
2. Approve a transfer of \$81,651 from the General Fund undesignated fund balance to account #006-803-43605 (broker commissions) and account #006-803-45300 (improvements other than buildings).

6H-1

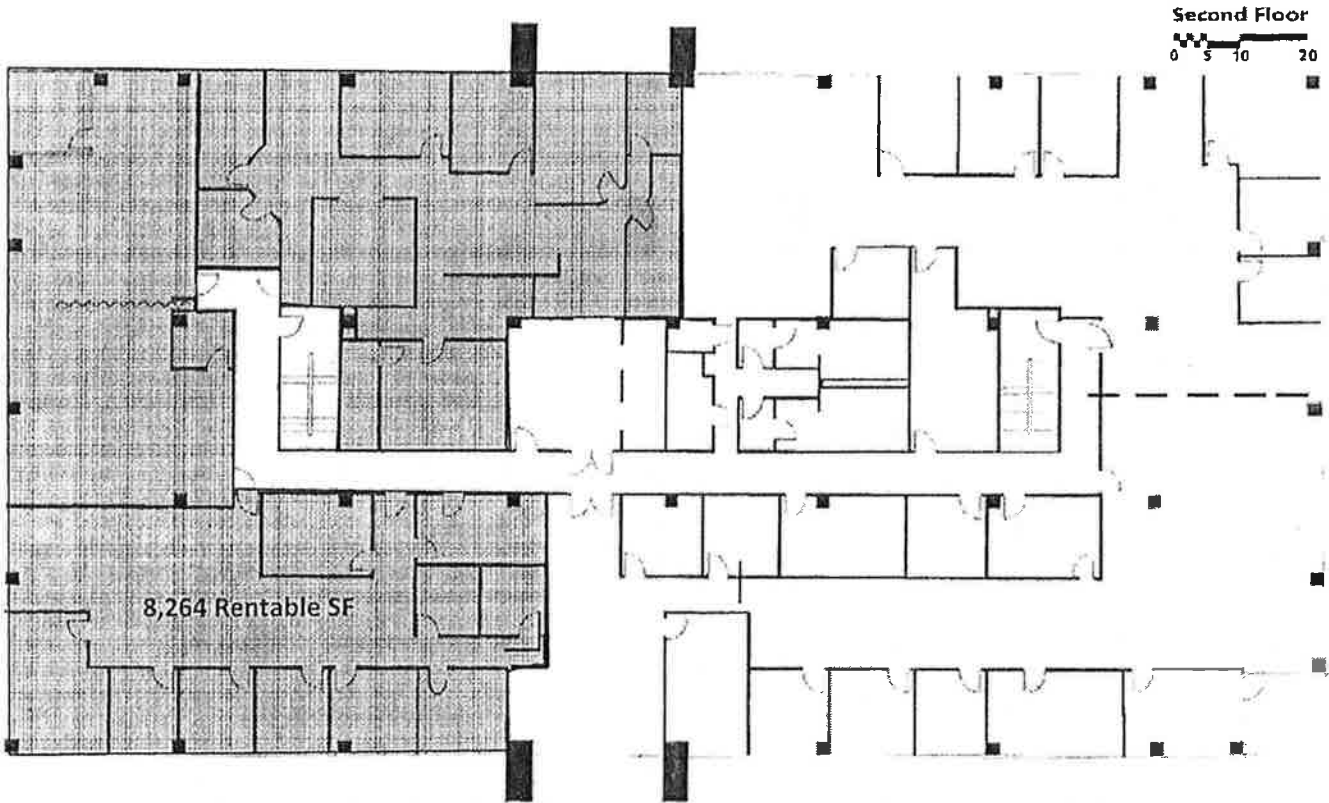
Fiscal Impact: A total of \$595,008 in rental income over the five year term of the lease. This would be offset by one-time expenditures of \$81,651 for tenant improvements and lease commission.

Attachments: Exhibit "A" – AMMCOR rentable area
Exhibit "B" –Tenant improvements
Exhibit "C" - Signage
Exhibit "D" - AMMCOR Rent Schedule

Notification: Dianne E. Davega, Chief Executive Officer, AMMCOR

EXHIBIT A

910 Negocio, San Clemente, CA



8,264 rentable SF to be occupied by AMMCOR

Lessee's Initials: _____

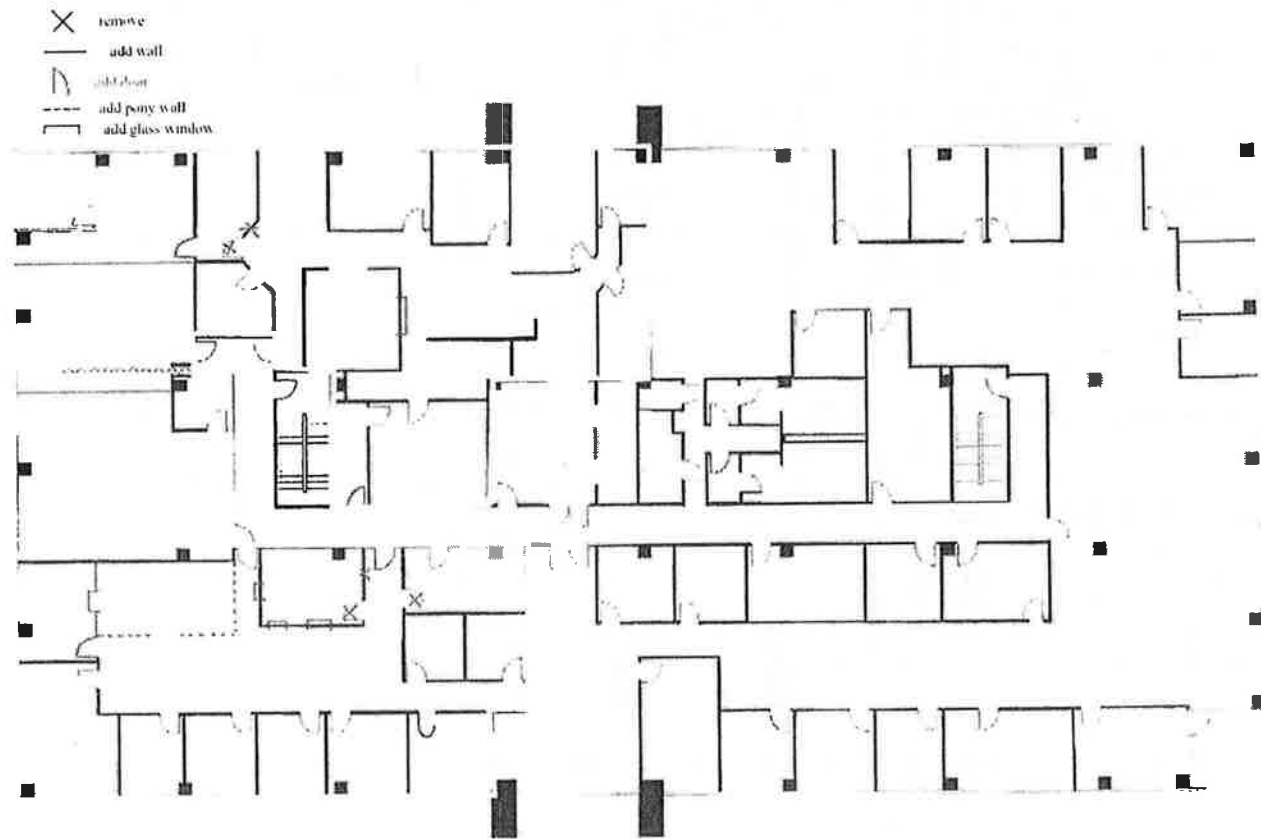
Lessor's Initials: _____

6H-3

EXHIBIT B

910 Negocio, San Clemente, CA

Modification to Suite



Lessee's Initials: _____

Lessor's Initials: _____

6H-4

EXHIBIT C

910 Negocio, San Clemente, CA

Exterior Sign location



#1 = AMMCOR's location for its building sign

Lessee's Initials: _____

Lessor's Initials: _____

6 H-5

Exhibit "D"
AMMCOR

Early possession June 1, 2012

Month #	Month/Year	Square Ft.	Base Rental Amt.	Base Rent \$\$
1	Jul-12	8,264	\$1.10	\$9,090.40
2	Aug-12	8,264	\$1.10	\$9,090.40
3	Sep-12	8,264	\$1.10	\$9,090.40
4	Oct-12	8,264	\$1.10	\$9,090.40
5	Nov-12	8,264	\$1.10	\$9,090.40
6	Dec-12	8,264	\$1.10	\$9,090.40
7	Jan-13	8,264	\$1.10	\$9,090.40
8	Feb-13	8,264	\$1.10	\$9,090.40
9	Mar-13	8,264	\$1.10	\$9,090.40
10	Apr-13	8,264	\$1.10	\$9,090.40
11	May-13	8,264	\$1.10	\$9,090.40
12	Jun-13	8,264	\$1.10	\$9,090.40
13	Jul-13	8,264	\$1.15	\$9,503.60
14	Aug-13	8,264	\$1.15	\$9,503.60
15	Sep-13	8,264	\$1.15	\$9,503.60
16	Oct-13	8,264	\$1.15	\$9,503.60
17	Nov-13	8,264	\$1.15	\$9,503.60
18	Dec-13	8,264	\$1.15	\$9,503.60
19	Jan-14	8,264	\$1.15	\$9,503.60
20	Feb-14	8,264	\$1.15	\$9,503.60
21	Mar-14	8,264	\$1.15	\$9,503.60
22	Apr-14	8,264	\$1.15	\$9,503.60
23	May-14	8,264	\$1.15	\$9,503.60
24	Jun-14	8,264	\$1.15	\$9,503.60
25	Jul-14	8,264	\$1.20	\$9,916.80
26	Aug-14	8,264	\$1.20	\$9,916.80
27	Sep-14	8,264	\$1.20	\$9,916.80
28	Oct-14	8,264	\$1.20	\$9,916.80
29	Nov-14	8,264	\$1.20	\$9,916.80
30	Dec-14	8,264	\$1.20	\$9,916.80
31	Jan-15	8,264	\$1.20	\$9,916.80
32	Feb-15	8,264	\$1.20	\$9,916.80
33	Mar-15	8,264	\$1.20	\$9,916.80
34	Apr-15	8,264	\$1.20	\$9,916.80
35	May-15	8,264	\$1.20	\$9,916.80
36	Jun-15	8,264	\$1.20	\$9,916.80
37	Jul-15	8,264	\$1.25	\$10,330.00
38	Aug-15	8,264	\$1.25	\$10,330.00
39	Sep-15	8,264	\$1.25	\$10,330.00
40	Oct-15	8,264	\$1.25	\$10,330.00
41	Nov-15	8,264	\$1.25	\$10,330.00
42	Dec-15	8,264	\$1.25	\$10,330.00

Exhibit "D"
AMMCOR

43	Jan-16	8,264	\$1.25	\$10,330.00
44	Feb-16	8,264	\$1.25	\$10,330.00
45	Mar-16	8,264	\$1.25	\$10,330.00
46	Apr-16	8,264	\$1.25	\$10,330.00
47	May-16	8,264	\$1.25	\$10,330.00
48	Jun-16	8,264	\$1.25	\$10,330.00
49	Jul-16	8,264	\$1.30	\$10,743.20
50	Aug-16	8,264	\$1.30	\$10,743.20
51	Sep-16	8,264	\$1.30	\$10,743.20
52	Oct-16	8,264	\$1.30	\$10,743.20
53	Nov-16	8,264	\$1.30	\$10,743.20
54	Dec-16	8,264	\$1.30	\$10,743.20
55	Jan-17	8,264	\$1.30	\$10,743.20
56	Feb-17	8,264	\$1.30	\$10,743.20
57	Mar-17	8,264	\$1.30	\$10,743.20
58	Apr-17	8,264	\$1.30	\$10,743.20
59	May-17	8,264	\$1.30	\$10,743.20
60	Jun-17	8,264	\$1.30	\$10,743.20
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				\$595,008.00