



## CITY COUNCIL AGENDA REPORT

**MEETING DATE:** Tuesday, June 24, 2025  
**TO:** CITY COUNCIL  
**WRITTEN BY:** PRINCIPAL MANAGEMENT ANALYST ZAVALA  
**RECOMMENDED BY:** CITY MANAGER VIDES  
**APPROVED BY:** TAMARA VIDES, CITY MANAGER  
  
**SUBJECT:** SECOND AMENDMENT TO LEASE WITH COUNTY OF SANTA CRUZ FOR  
275 MAIN ST., SUITE 202 AND 203 AS DISTRICT ATTORNEY OFFICE

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### RECOMMENDATION:

It is recommended that the City Council adopt a resolution authorizing the City Manager to execute a Second Amendment, and any other amendments of a non-substantive nature, subject to legal approval, with the County of Santa Cruz for the office space located at 275 Main Street, Suite 202 and 203, in the Civic Plaza.

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### BACKGROUND:

The County of Santa Cruz District Attorney's Office has an active, good-standing lease with the City for the space at 275 Main Street, Suite 202 and 203, in the Civic Plaza. The lease covers approximately 3,063 square feet of office space. The office's original lease began on 11/15/2007 and was set to expire on June 30, 2018. A First Amendment was executed on August 28, 2018, extending the Lease term to June 30, 2025.

### DISCUSSION:

The District Attorney would like to continue leasing the space. The key terms of the proposed Second Amendment are as follows:

1. **Term:** This second amendment extends the lease term to June 30, 2030. Adding 5 years to the term.
2. **Rent:**
  - Establishes a Base Rent of \$8,560.95 per month as of July 1, 2025.

- Adds a Common Area Maintenance (CAM) charge of \$985.75 per month as of July 1, 2025

Base rent will continue to be subject to annual Base Rent Adjustments on each July 1 anniversary date, using the April-to-April change in the Consumer Price Index (CPI) for All Urban Consumers San Francisco-Oakland-Hayward Metropolitan Area, with an annual cap of 4%.

All other terms and conditions of the Lease Agreement dated November 15, 2007, will remain in full force and effect.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) DETERMINATION:**

This action is not a project as defined under CEQA; therefore, no environmental review is required.

### **STRATEGIC PLAN:**

**Economic Development** - The recommended action is consistent with the City's Strategic Plan goals to strengthen economic development by supporting and retaining local businesses.

### **FINANCIAL IMPACT:**

The lease will generate \$114,560.40 in rental income for the General Fund during the first year of the amendment, with a subsequent increase of up to 4% each year thereafter for the duration of the lease.

### **ALTERNATIVE ACTION:**

The City Council may choose not to authorize the Second Amendment to this lease. This would require the City to seek a new tenant, potentially resulting in a loss of rental revenue and a vacancy period of unspecified duration.

### **ATTACHMENTS AND/OR REFERENCES (IF ANY):**

None